86 - 1373

No.

IN THE
Supreme Court of the United States
OCTOBER TERM, 1986

STATE OF NEW YORK, et al.,
Petitioners,

—v.—

LEE M. THOMAS, Administrator, United States Environmental Protection Agency,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

O. PETER SHERWOOD*
Solicitor General
PETER H. SCHIFF
Deputy Solicitor General
DAVID R. WOOLEY
MICHAEL J. MOORE
Assistant Attorneys General
New York State Department of Law
The Capitol
Albany, New York 12224
(518) 474-4819

* *Counsel of Record*

ROBERT ABRAMS
Attorney General of New York
JAMES E. TIERNEY
Attorney General of Maine
JAMES M. SHANNON
Attorney General of Massachusetts
JEFFREY L. AMESTOY
Attorney General of Vermont
W. CARY EDWARDS
Attorney General of New Jersey
JAMES E. O'NEIL
Attorney General of Rhode Island
JOSEPH I. LIEBERMAN
Attorney General of Connecticut
STEVEN E. MERRILL
Attorney General of New Hampshire
HOWARD FOX
Attorney for private party Petitioners Sierra Club, et al.

45 pp

QUESTIONS PRESENTED

Where, upon the findings of the Environmental Protection Agency Administrator that United States air pollution emissions are endangering the welfare of residents of a foreign country which has a law similar to that of the United States concerning prevention and control of international air pollution, is the EPA Administrator required under § 115 of the Clean Air Act to go forward with a pollution abatement proceeding leading to promulgation of rules to reduce emissions into the air that cause "acid rain" in the eastern United States and Canada.

Whether a court may construe the Administrative Procedure Act in a manner that negates the mandatory nature of many provisions of federal health and safety statutes and intrudes upon Congressional prerogatives to direct when remedial action by a federal agency is required.

PARTIES TO THE PROCEEDING

THE PETITIONERS ARE:*

State of New York
State of Vermont
State of Connecticut
State of New Hampshire
Sierra Club
National Wildlife Federation
National Audubon Society
Robert and Janet Townsend
Her Majesty the Queen in Right of Ontario
James Bradley, Minister of the Environment for Province of Ontario
State of Maine
State of Rhode Island
Commonwealth of Massachusetts
State of New Jersey
Natural Resources Defense Council, Inc.
Honorable Richard Ottinger
Ellen Edith Desmond
Ian G. Scott, Attorney General for Ontario
Michael Vaughan

THE RESPONDENT IS:

Lee Thomas, Administrator, U.S. Environmental Protection Agency

THE FOLLOWING WERE DEFENDANT-INTERVENORS BELOW:

Alabama Power Company
Appalachian Power Company
Baltimore Gas and Electric Company
Central Illinois Light Company
Cincinatti Gas & Electric Co.
Cleveland Electric Illuminating Co.
American Public Power Assn.
Arkansas Power & Light Company
Boston Edison Company
Carolina Power & Light Company
Central Hudson Gas and Electric Corporation
Central Illinois Public Service Company

---

* In accordance with Rule 28, petitioners state that, with the exception of the National Wildlife Federation, none of the corporations named above as Petitioners have parent companies, subsidiaries or affiliates, other than wholly owned subsidiaries. The National Wildlife Federation has the following subsidiary: Desoto Greetings, Inc.

DEFENDANT-INTERVENORS (Continued)

Commonwealth Edison Company
Consolidated Edison Company of New York, Inc.
Delmarva Power & Light Company
Detroit Edison Company
Florida Power Corporation
Georgia Power Company
Gulf States Utilities Company
Illinois Power Company
Indiana & Michigan Electric Company
Iowa-Illinois Gas and Electric Company
Kentucky Power Company
Louisiana Power & Light Company
Mississippi Power Company
Mississippi Power & Light Company
Montaup Electric Company
National Rural Electric Cooperative Association
New Orleans Public Service, Inc.
Northern Indiana Public Service Company
Oklahoma Gas and Electric Company
Pennsylvania Electric Company
Pennsylvania Power Company
Potomac Edison Company
Public Service Company of Indiana, Inc.
Salt River Project
Central Power & Light Company
Columbus and Southern Ohio Electric Company
Consumers Power Company
Dayton Power and Light Company
Duke Power Company
Edison Electric Institute
Florida Power & Light Company
Gulf Power Company
Houston Lighting & Power Company
Indianapolis Power & Light Company
Iowa Public Service Company
Kansas City Power and Light Company
Kentucky Utilities Company
Madison Gas and Electric Company
Monogahela Power Company
New England Power Company
Northern Indiana Public Service Company
Ohio Power Company
Ohio Valley Electric Corporation
Pennsylvania Power & Light Co.
Potomac Electric Power Company
Public Service Co. of Oklahoma

DEFENDANT-INTERVENORS (Continued)

South West Electric Power Company
Texas Utilities Electric Company
Tucson Electric Power Company
Virginia Electric and Power Company
Wisconsin Electric Power Company
Wisconsin Public Service Corporation
Public Service Electric and Gas Company
Southern California Edison Company
Toledo Edison Company
Union Electric Company
West Penn Power Company
West Texas Utilities Company
Wisconsin Power and Light Company

National Coal Association
Commonwealth of Kentucky
State of Ohio
State of West Virginia

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page

MISCELLANEOUS (continued):

In The
Supreme Court of the United States

OCTOBER TERM, 1986

No. _____

STATE OF NEW YORK, et al.,

Petitioners,

—v.—

LEE M. THOMAS, Administrator,
United States Environmental Protection Agency,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

Petitioners, who are eight states, the Province of Ontario[1], four national public interest groups, and United States and Canadian citizens, respectfully pray that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the District of Columbia Circuit entered in the above-entitled proceeding on September 18, 1986.

OPINION BELOW

The Court of Appeals reversed a District Court decision in petitioners' favor. *Thomas v. State of New York*, 802 F.2d 1443

[1] The Province of Ontario is filing a separate Petition for Writ of Certiorari in the name of the Ontario officials who participated in this case in their official capacities as: Her Majesty the Queen in Right of Ontario, Ian G. Scott, Q.C., Attorney General for Ontario, and James Bradley, Minister of the Environment of the Province of Ontario.

(D.C. Cir. 1986). The District Court had granted plaintiff/ petitioners' summary judgment motion for declaratory and injunctive relief, and ordered the Administrator of the U.S. Environmental Protection Agency to issue notices to states under § 115 of the Clean Air Act. *State of New York v. Thomas*, 613 F. Supp. 1472 (D.D.C. 1985); 42 U.S.C. § 7415. The issuance of such notices, after the requisite rule making procedures, would have been the next step in a process leading to reduction in air pollution emissions that cause an international air pollution problem commonly known as acid rain. The Court of Appeals and District Court decisions are reprinted as Appendix A and B, respectively.

JURISDICTION

The Judgment Order of the United States Court of Appeal for the D.C. Circuit was entered on September 18, 1986. A timely petition for rehearing was denied on November 24, 1986. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

This case involves provisions of the federal Clean Air Act and the Administrative Procedure Act ("APA"). 42 U.S.C. § 7401 *et seq.*; 5 U.S.C. § 501 *et seq*. The International Air Pollution Abatement section of the Clean Air Act (§ 115, 42 U.S.C. § 7415) states:

> Whenever the Administrator . . . has reason to believe that any air . . . pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country . . . the Administrator shall give formal notification thereof to the governor of the state in which such emissions originate.
>
> The notice of the Administrator shall be deemed to be a finding . . . which requires a . . . revision [of the states' air pollution control plan] . . . to prevent or eliminate the endangerment. . .

> This section shall only apply to a foreign country which the Administrator determines has given the United States essentially the same rights . . . as is given that country by this section.

The case was commenced in the District Court under the "citizen suit" provision of the Clean Air Act (§ 304) 42 U.S.C. § 7604.

> [A]ny person may commence a civil action . . . against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this Act which is not discretionary . . . The district courts shall have jurisdiction . . . to order the Administrator to perform such act or duty . . .

The APA states in part:

> After notice required by this section, the agency shall give interested persons an opportunity to participate in the rule making through submission of written data, views or arguments . . .

5 U.S.C. § 553. These sections of the APA and the Clean Air Act are set forth in full in the Appendix to this Petition at A-48 to A-51.

STATEMENT OF THE CASE

A. The Statutory Scheme

In 1977 Congress enacted amendments to the federal Clean Air Act which, as relevant here, strengthened and streamlined provisions for abatement of international air pollution. Section 115 of the Act establishes a multi-step process leading to the issuance of formal notices to states causing international air pollution. 42 U.S.C. § 7415. The issuance of those notices triggers separate rulemaking proceedings under § 110 of the Act, involving such revisions of the individual states' air pollution control plans as are necessary to "prevent or eliminate the endangerment" to the neighboring nation. 42 U.S.C. §§ 7410(a)(2), 7410(a)(2)(H), 7410(c).

The § 115 process is initiated when the Environmental Protection Agency Administrator ("EPA") makes two factual findings. These findings are: that the Administrator has reason to believe that United States air pollutant emissions endanger public health or welfare in another nation ("harm finding")[2]; and that the nation suffering the harm has given the United States essentially the same rights with respect to the prevention or control of air pollution as is given to that country by § 115 ("reciprocity finding"). 42 U.S.C. §§ 7415(a), (c). Section 115 states that once the Administrator makes these findings, he "shall" issue § 115 notices to the states whose emissions are causing harm to the other nation. The effect of the notice is to obligate those states to revise their air pollution control plans in a manner that prevents or eliminates the endangerment to the other nation. 42 U.S.C. 7415(b).

Under EPA practice, statutory "notices" to the states would not issue until after EPA published them in proposed form for public comment. See, Joint Appendix submitted to the U.S. Court of Appeals at page 257 (hereinafter "J.A. ____"). At that stage EPA would take public comment on "each step in its reasoning and analysis" in developing the proposed § 115 notices to the states. J.A.257. This would encompass an opportunity to comment on the initial finding of harm from U.S. emissions, the determination of reciprocity, the identification of responsible states, and the proposed allocation of emission reductions among those states. Id.

Subsequent to the EPA's issuance of § 115 notices, the named states must revise their air pollution control plans, and after public hearings, submit the revisions to EPA for approval. 42 U.S.C. §§ 7410(a)(3), 7410(a)(2)(H). EPA's practice would then be to propose to approve or disapprove in the Federal Register the state plan revisions and finalize its decision after considering public comments. If a state refuses to submit an adequate plan, then EPA shall promulgate a plan for the state, after holding a public hearing. 42 U.S.C. §§ 7410(c)(1), 7607(d)(1)(B), 7607(d)(3).

---

[2] The "harm finding" must be based in part upon the Administrator's receipt of reports, surveys or studies from a duly constituted international agency. 42 U.S.C. § 7415(a).

Only when EPA approves a state's plan, or promulgates its own for the state, would any individual air pollution source be subject to emission reduction requirements.

Section 304 of the Clean Air Act empowers the federal district courts to issue orders compelling the Administrator to perform any non-discretionary duty imposed by the Act. 42 U.S.C. § 7604.

B. The International "Harm" and "Reciprocity" Findings

On December 17, 1980, the Canadian Parliament enacted a law similar to § 115 that provides protection to the United States from Canadian air pollution sources.[3] On January 18, 1981, the EPA Administrator issued an official determination that emissions of sulfur dioxide and nitrogen oxides from the United States were endangering public welfare in Canada by causing a phenomenon known as acid rain.[4]

> I have concluded that . . . acid deposition is endangering public welfare in the U.S. and Canada and that U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country.[5]

He also determined that the Canadian law afforded the United States essentially the same rights with respect to Canadian pollution as § 115 gives to Canada. These findings were supported

---

[3] House of Commons Bill C-51, An Act to Amend the Clean Air Act, 1st Session, 32nd Parliament, 29 Eliz. II, 1980.

[4] This determination is contained in correspondence to the U.S. Secretary of State, and a United States Senator from Maine. This correspondence is attached to the District Court opinion, *supra*, 613 F. Supp. at 1488, and is reproduced in the Appendix to this petition at A-24 to A-31. They also appear in the record below at J.A. 30-33, 44-49.

[5] A-46; J.A. 32.

by a report of the International Joint Commission and the Administrator's own detailed description of the problem of acid rain and the provisions of the reciprocal Canadian law.[6]

The current EPA Administrator, in October, 1985, reaffirmed that the Canadian law meets the "reciprocity" requirement,[7] and he has not rescinded the "harm" finding. In fact, in March of 1986 the President of the United States seemingly reaffirmed the "harm" finding when he "fully" endorsed a Joint Report prepared by Special Envoys from the U.S. and Canada. The President's statement and the Envoys' Joint Report each recognized that "acid rain is a serious environmental problem in both the United States and Canada with transboundary implications for both countries."[8]

C. EPA Inaction and Court Decisions Below

Despite these acknowledgements of the international harm caused by U.S. emissions, the EPA Administrator has failed to issue proposed or final § 115 notices. After serving notice of intent to sue as required by statute, the petitioners filed a federal court action against the Administrator alleging that the making of the threshold factual findings of "harm" and "reciprocity" established a nondiscretionary duty on the part of the Administrator to proceed with the abatement process under § 115. The District Court had jurisdiction under 42 U.S.C. § 7604. In July, 1985 the United States District Court granted petitioners' motion for summary judgment and ordered the EPA Administrator to issue § 115 notices, within nine months, to those states whose emissions cause acid rain in Canada. In post-judgment motion papers EPA requested additional time to issue

---

[6] A-41 to A-46, A-48 to A-56; J.A. 34-43, 30-32, 45-49.

[7] J.A. 482.

[8] White House Press Release, March 19, 1986, submitted as addendum "C" to Brief for Intervenor/Appellees Province of Ontario. The Envoys' Report was submitted to the Court of Appeals as Attachment "A" to EPA's brief. Portions of the Envoys' Report are quoted at pages 11, 12, *infra*.

the § 115 notices and announced a schedule by which it would solicit public comment on proposed § 115 notices and all aspects of its supporting reasoning and analysis. J.A. 257. The motion for additional time was denied, but the District Court later granted a stay of its order pending appeal.

The U.S. Court of Appeals reversed. Accepting an argument not raised by the federal agency, it held that the threshold "harm" and "reciprocity" findings were "rules", and that they had not been subject to a notice-and-comment opportunity as required by the Administrative Procedure Act. The Court ordered the plaintiffs' complaint to be dismissed because of defendant's failure to take public comment prior to making the findings. The Court of Appeals did not discuss the fact that a later opportunity for comment on the threshold findings was scheduled to occur prior to issuance of § 115 notices. Instead, the court found that a failure to afford a separate APA notice-and-comment opportunity prior to the issuance of the § 115 threshold findings cuts off judicial power to compel any further action by the agency under § 115.

REASONS FOR GRANTING THE WRIT

I.

CERTIORARI SHOULD BE GRANTED TO ASSURE IMPLEMENTATION OF CONGRESSIONALLY MANDATED REQUIREMENTS AIMED AT REMEDYING THE MOST SERIOUS AIR POLLUTION PROBLEM IN THE NORTHEASTERN UNITED STATES AND CANADA

The viability of a Congressional requirement for abatement of international air pollution is at stake in this case. The outcome will dramatically affect the health of fisheries, forests and human populations in large areas of eastern Canada and the northeastern United States. The subject matter of this case is the international and interstate problem of acid rain.

Acid rain is a popular term for a broad range of related damages caused by the emission and deposition of certain air pollutants.[9] Scientific and governmental authorities, including the International Joint Commission, the National Academy of Sciences, the National Commission on Air Quality and the Environmental Protection Agency have made detailed findings on the causes and effects of acid rain. This body of scientific evidence, summarized below, is consistent with EPA Administrator Costle's 1981 finding that U.S. emissions are harming public welfare in Canada.

Huge quantities of sulfur dioxide and nitrogen oxide are emitted into the air from fossil fuel combustion in electric power plants, and industrial boilers.[10] These emissions are transported long distances, often across state and national borders.[11] In this regard, the EPA Administrator in 1981 found:

---

[9] International Joint Commission (hereinafter referred to as "IJC"), *Seventh Annual Report, Great Lakes Water Quality*, p. 4a (1981) (J.A. 37).

Committee on the Atmosphere and Biosphere, National Research Council/National Academy of Sciences (hereinafter referred to as "NAS"), *Atmosphere – Biosphere Interactions: Toward a Better Understanding of the Ecological Consequences of Fossil Fuel Combustion*, at 2 (1981) (J.A. 82).

Letter from EPA Administrator Douglas M. Costle to Senator George Mitchell (hereinafter referred to as "§ 115 Findings")(Jan. 13, 1981)(discussing how the prerequisites of 115 have been met)(A-46 to A-57; J.A. 45).

EPA Office of Air Quality Planning and Standards (hereinafter referred to as "OAQPS") *Proceedings of the Acid Rain Conference Springfield, Va., April 8-9, 1980*, "Remarks of the Administrator" p.4 (Aug. 1980)(J.A. 59).

[10] IJC, *supra*, note 9 at 49 (J.A. 37); NAS, *supra*, note 9 at 2 (J.A. 82); OAQPS, *supra*, note 9 at 6 (J.A. 61); National Commission on Air Quality (hereinafter referred to as "NCAQ"), *To Breathe Clean Air* (March, 1981)(J.A. 75); U.S.E.P.A. *Acid Deposition Task Force, Acid Deposition: Current Knowledge and Policy Options, App. II: Evaluation of Options* at 2-12, (1983) (J.A. 332-342) (Hereinafter "U.S.E.P.A. Acid Deposition Task Force").

[11] U.S. Environmental Protection Agency (hereinafter referred to as "EPA"), *Environmental News*, "EPA Administrator Believes Canadian Acid Rain Problem May Warrant Action in U.S." (Jan. 16, 1981) (J.A. 53); OAQPS, *supra* note 9 at 6 (J.A. 61); U.S.E.P.A. Acid Deposition Task Force, *supra* note 10, *App. I: State of the Science* at 10, (1983), (J.A. 289-292).

> Thus we can say with some certainty that emission sources in the U.S. contribute significantly to the atmospheric loadings over some sensitive areas in Canada . . .[12]

While airborne these pollutants are oxidized into acidic forms.[13] When deposited in rain or snow, or as dust, they acidify water bodies, killing fish directly, and disrupting wildlife food chains.[14] As Administrator Costle stated:

> What we know or suspect about acid deposition indicates that the problem is genuine and serious: acid deposition can and has destroyed lake and stream ecosystems, killing fish and other water life; many lakes in Canada and the United States are already acidified and their fish populations are shrinking or extinct; . . . the water and soils over extensive areas in North America are susceptible to acidification. . . .[15]

Acid deposition also accelerates corrosion of water pipes, stone and metal building materials, consumer goods and historic monuments and architecture.[16] It acidifies soils and leaches

---

[12] § 115 Findings, *supra*, note 9 at 2 (J.A. 45).

[13] IJC, *supra*, note 9 at 49-50 (J.A. 37-38); NCAQ, *supra*, note 10 at 71-72 (J.A. 73-74); NAS, *supra*, note 9 at 2-3 (J.A. 82-83).

[14] NAS, *supra*, note 9 at 2-3 (J.A. 82-83); NCAQ, *supra*, note 10 at 71 (J.A. 73); OAQPS, *supra*, note 9 at 4 (J.A. 59); Memorandum on the Canadian Clean Air Act and the Canadian Acid Rain Control Program, *State of New York, et al. v. Ruckelshaus*, (No. 84-0853)(1984) (J.A.188-189); U.S.E.P.A. Acid Deposition Task Force "State of the Science", *supra*, note 11 at 1-6 (J.A. 280-285); EPA Acid Deposition Task Force, *supra* note 10, *App III: Anticipated Environmental Results: An Assessment of Control Options* at 2-9 (1983) (J.A. 411-418).

[15] § 115 Findings, *supra*, note 9 at 2 (J.A.45).

[16] § 115 Findings, *supra*, note 9 at 2 (J.A.45); NAS, *supra*, note 9 at 3 (J.A. 83); NCAQ, *supra*, note 10 at 71 (J.A.73); OAQPS, *supra*, note 9 at 5 (J.A.60).

vital minerals and nutrients from them.[17] These compounds, alone or in combination with other pollutants, are believed to cause dieback or growth decline of trees.[18] While still in the air these compounds severely degrade visibility and are associated with respiratory disease, particularly in children.[19] These damages occur primarily in eastern Canada and the northeastern United States, which are located downwind from jurisdictions where the bulk of the offending emissions originate.[20]

Respected scientific authorities have been emphatic about the severity of the problem and the need for abatement action. In 1981 a Committee of the National Academy of Sciences stated that evidence linking power plant emissions to acid rain was "overwhelming", that thousands of lakes in Europe and North America have already been affected and that the number is expected to double by 1990. After recounting the damages caused to human health, crops and building materials it concluded that

> continued emissions of sulfur and nitrogen oxides at current or accelerated rates, in the face of clear

---

[17] § 115 Findings, *supra*, note 9 at 2 (J.A. 45); NAS, *supra*, note 9 at 2 (J.A. 82); NCAQ, supra, note 10 at 71 (J.A.73); OAQPS, *supra*, note 9 at 5 (J.A. 60).

[18] Interagency Task Force on Acid Precipitation, Annual Report 1983 to the President and Congress, (J.A. 206); § 115 Findings, *supra*, note 9 at 2, (J.A. 45).

[19] NCAQ, *supra*, note 10 at 72 (J.A.74); NAS, *supra*, note 9 at 2 (J.A. 82); U.S.E.P.A. Acid Deposition Task Force, *supra*, note 14 at 24 (J.A. 433); U.S. Congress, Office of Technology Assessment *"Acid Rain And Transported Air Pollutants"*, p. 47, Washington, D.C., June, 1984 (OTA-0-204) (estimating 50,000 premature deaths per year from acid rain pollutants).

[20] Final Report U.S./Canada Memorandum of Intent, Atmospheric Sciences and Analysis Work Group 2 (A bilateral work group, which along with several other work groups, was established by the U.S. and Canada in order to "provide a suitable and scientific foundation" for a bilateral agreement on transboundary air pollution), Nov. 1982 (J.A. 152); U.S.E.P.A. Acid Deposition Task Force, *supra*, note 11 at 11-13 (J.A. 290-292).

> evidence of serious hazard to human health and to the biosphere, will be extremely risky from a long term economic standpoint as well as from the standpoint of biosphere protection.

NAS at 3, J.A. 83.

The International Joint Commission in 1980 recommended that the governments of Canada and the U.S. "[u]ndertake further actions to reduce atmospheric emissions of the oxides of sulfur and nitrogen from existing as well as new sources," because of the "significance . . . of the acid rain problem to the Great Lakes basin ecosystem."

The 1986 Report of the Special Envoys appointed by the U.S. President and Canadian Prime Minister confirmed that:

> There is no question that acid rain is a serious transboundary problem shared by both the U.S. and Canada. Emission sources in both countries contribute to acid deposition in both countries.

The Report concluded:

> [I]t is very clear that there is a solid link between emissions and acid deposition . . . The areas of highest acid deposition coincide with or are downwind and to the northeast of areas of highest emissions.

The President and Prime Minister endorsed the Special Envoys' recommendation that both countries should:

> review their existing air pollution programs and legislation to identify opportunities, consistent with existing law, for addressing environmental concerns related to transboundary pollution.

Appendum A, Brief for Appellant EPA at 45.

Section 115 of the Act establishes a regulatory mechanism to address the full range of harm to "public health" and "welfare" inflicted upon a neighboring nation by United States air pollution emissions. Acid rain is undoubtedly the most serious international air pollution problem ever faced by Canada and the United States,[21] and its effects clearly fall within the range of air pollution damages encompassed by the Clean Air Act's command for elimination of endangerment to public "welfare" in another nation. 42 U.S.C. §§ 7415(a)(b), 7602(h).[22]

If the Court of Appeals had not reversed, EPA would now be preparing proposed notices to the states under § 115. Final notices would have required the states and EPA to develop emission reduction plans to eliminate harm to Canada from U.S. emissions. Such emission reductions would undoubtedly also reduce acid rain in the northeastern United States.

The impacts of the Court of Appeals decision on the statutory scheme and upon the environment of eastern North America are sufficiently important to justify review by this Court.

---

[21] The Special Envoys' Report described acid rain as "the most serious" of all environmental problems associated with long range transport of air pollutants between the U.S. and Canada, and that the problem had been recognized by the leaders of both countries, as a "serious concern affecting bilateral relations." Appendix A to Brief for Appellant EPA at 1.

[22] "These kinds of impacts are within the range of impacts covered by § 115. As you know, that Section is broadly drafted to encompass all forms of air pollution-related endangerment to public health or welfare and is not limited to interference with U.S. air quality standards or significant deterioration programs. . ."

Statement of Administrator Costle to Senator Mitchell, A-49, J.A. 45.

II.

REVIEW BY THIS COURT IS NEEDED TO PREVENT THE JUDICIARY FROM OVERRIDING CONGRESSIONAL COMMANDS WHICH DIRECT WHEN REMEDIAL ACTION BY AN ADMINISTRATIVE AGENCY IS REQUIRED.

The Court of Appeals decision eliminates the non-discretionary aspect of an important international pollution abatement program established by Congress. This result was achieved through a novel application of the Administrative Procedure Act's ("APA") informal rulemaking requirements. The Court of Appeals added a procedural prerequisite to the statutory scheme which is not required by either the Clean Air Act or the APA. This procedural step does not further the public participation goals of the APA, because it is redundant to the notice-and-comment procedure adopted by the agency. It does not further the goals of the Clean Air Act because it allows EPA to halt a mandatory pollution abatement program under § 115 of the Act. Contrary to the intent of Congress, a recognized international pollution problem will not be corrected, unless this Court reverses. Petitioners ask this Court to reinstate the District Court order, which served the purposes of both statutes.

This Court's review is especially important because the Court of Appeals has created a precedent which threatens to excuse agency non-compliance with congressional commands for action in a variety of remedial statutes, including several sections of the Clean Air Act. The lower courts should be advised to avoid imposing procedural requirements which drastically alter agency obligations under a remedial statute.

A. The Administrative Procedure Act Provides No Basis For Eliminating The Mandatory Nature Of Clean Air Act § 115.

In § 115 of the Clean Air Act Congress forged a tight linkage between a finding of harm to the public and the EPA's duty to abate that harm. The statute imposes an expressly non-discretionary duty upon the Administrator to begin a process leading to air pollution emission reductions in the United States once he has officially recognized that those emissions are harming public health or welfare in another nation. 42 U.S.C. § 7415(a). The receipt of appropriate international reports and a finding of reciprocity in the affected nation's laws are the only other prerequisites to this non-discretionary duty. The Congress sought to ensure EPA's performance of this and other obligations by establishing broad "citizen suit" rights, through which courts were empowered to order EPA to "perform any act or duty . . . which is not discretionary." 42 U.S.C. § 7604.

The Court of Appeals decision alters the statute in a fundamental way. It determined that the findings of harm and reciprocity do not trigger a non-discretionary duty unless they are preceded by a notice-and-comment opportunity pursuant to the rulemaking requirements of the APA. *Thomas v. State of New York*, *supra*, 802 F.2d at 1446, 1448. As a result, EPA is now authorized to acknowledge officially the harm to another nation from U.S. emissions and the reciprocal nature of that country's law — but take no steps to abate that harm. This is not what Congress intended. The Court of Appeals has broken the statutory link between the acknowledgment of harm and the duty to abate. In short, the "shall" language of § 115, and the citizen's right to enforce it, have been eviscerated by the judicial insertion of a new discretionary procedural step into the statutory scheme. Although the language of § 115 leaves EPA no choice but to proceed with the abatement program once the § 115 findings are made, the Court of Appeals has given EPA complete discretion to take no action on the findings. *Thomas v. State of New York*, *supra*, 802 F.2d at 1448.

The Court's reasoning in support of this result was that, if the § 115 findings bound subsequent administrators to issue air pollution abatement notices to the states, then the APA requires that they be subjected to a separate notice-and-comment proceeding. Since there had been no prior opportunity for public comment on the findings, the Court of Appeals declared them to be void. The two major errors in this reasoning are that: the APA and the Clean Air Act do not require a separate notice-and-comment opportunity on decisions to initiate rulemaking; and, the court was wrong to conclude that EPA was bound to follow the 1981 § 115 findings.

First, the Clean Air Act does not specify how the § 115 "harm" and "reciprocity" findings are to be made, nor when public participation on the findings is to occur. Similarly, the APA does not dictate any particular timing for a public notice-and-comment opportunity on threshold findings which are merely an initial step *toward* rulemaking. The Court of Appeals failed to recognize that the § 115 findings constituted only a decision to initiate rulemaking. It overlooked the fact that the public would have an opportunity to comment on the findings later in the proceeding. Nothing in the APA or case law suggests that Congress intended agencies to hold a notice-and-comment proceeding on such preliminary decisions.

Nor is there any indication that two or more comment opportunities must occur within a single rulemaking proceeding. *National Asphalt Paving Assn. v. Train*, 539 F2d 775, 778, n. 2 (D.C. Cir. 1976). The APA only guarantees that affected parties will have "an" opportunity to be heard by the agency before rulemaking is completed and substantive obligations are imposed on the public. 5 U.S.C. § 553.[23] Beyond this, the timing for

---

[23] Administrative Procedure Act, Legislative History, 79th Cong. 2nd Sess., 1944-1946, Senate document No. 248, U.S. Government Printing Office 1946, pages: 224 (statement of Attorney General of the United States on Revised Committee Print of October 5, 1945, describing purpose of rulemaking provisions as providing the public with "an opportunity to express its views");

(Footnote Continued)

public participation within the rulemaking process is left to the discretion of the agencies upon whom Congress has imposed the responsibility for judgments and action. *Vermont Yankee v. NRDC*, 435 U.S. 519, 524 (1978). The courts have no role in specifying what methods must be used in finding facts or reaching conclusions on law or policy within a statutory scheme. *Bill Johnson's Restaurant v. National Labor Relations Board*, 461 U.S. 731, 755 (1982), (Brennan, J. concurring). If Congress did not impose a requirement for a public comment opportunity on decisions to initiate rulemaking, then courts may not do so, especially where the effect is to "seriously interfere with" or "disrupt the statutory scheme" chosen by Congress. *Vermont Yankee v. NRDC, supra*, 435 U.S. at 547, 548.

In a multi-step rulemaking such as this, the language and purposes of the APA are satisfied so long as affected parties have an opportunity to comment on the threshold finding at the next step in the process – in this case when EPA issues proposed § 115 notices listing the states which must reduce emissions and by how much. J.A. 257. Taking comments at this stage is "the most sensible course" since the comments and data relevant to the threshold findings are likely to overlap substantially with those underlying the proposed § 115 notices. *National Asphalt Paving Assn. v. Train, supra* 539 F.2d at 779 n. 2.

This Court has repeatedly held that the Due Process clause of the Constitution does not require a separate hearing on preliminary agency decisions which commence adjudicatory proceedings. *Ewing v. Mytinger and Casselberry, Inc.*, 339 U.S. 594, 598 (1950); *Inland Empire District Council v. Mills*, 325

---

251 (statement from House Report No. 1980, 79th Cong. 2nd Sess, describing the APA as requiring notice-and-comment opportunity to occur before issuance of "general regulations"); 353 (statement of Representative Walter that the purpose of the APA is to provide "an opportunity" for comments in rulemaking). *See also*, Attorney General's Manual on the Administrative Procedure Act, United States Department of Justice, 1947, p. 26 ("an opportunity").

U.S. 697, 710 (1945); *Opp Cotton Mills, Inc., v. Administrator*, 312 U.S. 126, 152-153 (1940). *Cf., Lawrence Typographical Union v. McCulloch*, 349 F.2d 704, 709-710 and n. 6 (D.C. Cir. 1965) (suggesting that due process does not require a prior hearing for "an administrative decision to commence proceedings.") There is no reason to believe that Congress intended a different principle to apply to commencement of rulemaking under the APA. Indeed, the legislative history suggests that it did not.[24]

The Court of Appeals' second error was its incorrect assumption that EPA was irrevocably bound to follow the 1981 § 115 findings. The effect of the § 115 findings on subsequent EPA Administrators seems to have been of particular concern to the court.[25] In fact, the only effect of the § 115 findings and the District Court order was to compel EPA to go forward with a pollution abatement proceeding and conclude it by either issuing the § 115 notices or revoking the threshold findings. The District Court's order preserved the authority of the EPA Administrator to depart from the findings of his predecessor and to halt remedial action if he decides to revoke the threshold findings. The District Court even provided EPA with a post-judgment opportunity to reconsider the continued validity of the "reciprocity" finding on which EPA had expressed some

---

[24] *See*, Legislative History, Administrative Procedure Act, *supra* at 373 (statement of Rep. Gwynne describing the APA as "an attempt to bring into the practice of these bureaus and tribunals those principles of due process that we understand and that have been enforced by the courts.")

[25] Five times in a three page opinion the court referred to the change in administrations and the supposed binding effect of the "harm" and "reciprocity" findings on subsequent EPA Administrators. *Thomas v. State of New York*, *supra*, 802 F.2d at 1445, 1446 (col. 2), 1447 (col 1).

doubt. A-58. The new administration later expressly reaffirmed the "reciprocity" finding and made statements consistent with the "harm" finding.[26]

Similarly, neither the past or current EPA Administrators perceived that the 1981 findings were written in stone. Each presumed that there would be a later comment stage at which the public could inform the agency of any errors it made in the threshold findings. J.A. 49, 257, 482-483. It is undisputed that at any time prior to or after the receipt of these public comments, EPA could determine that "harm" or "reciprocity" do not exist, and thus decide not to issue the notices to the states. All of the above would occur before any private interests are affected.[27] Thus EPA was not bound irrevocably to follow the § 115 findings and the Court of Appeals' reason for imposing the additional notice-and-comment step is not applicable to the circumstances of this case.

---

[26] See page 6, *supra*. The District Court order is consistent with the result in *Motor Vehicle Manufacturers v. State Farm*, 463 U.S. 29 (1982). There the Court's power was exercised in a way that preserved the executive branch's power to change its mind about factual predicates to regulatory action, but also preserved the legislative mandate by requiring that a regulatory process not be derailed unless there was an adequate basis and explanation articulated for the change in regulatory direction by the administrative agency. *Id.* 34, 42, 43. *See also*, concurring opinion of Justice Rehnquist, 463 U.S. at 59 ("The agency's changed view . . . seems to be related to the election of a new President of a different political party . . . A change in Administration . . . is a perfectly reasonable basis for an executive agency's reappraisal . . . of its programs and regulations . . . As long as the agency remains within the bounds established by Congress it is entitled to assess administrative records and evaluate priorities in light of the philosophy of the administration . . . Of course, a new Administration may not refuse to enforce laws of which it does not approve or to ignore statutory standards in carrying out its regulatory functions.")

[27] If a Writ of Certiorari is granted, petitioners reserve the option to make an additional argument. Petitioners assert, in the alternative, that the § 115 findings are exempt from notice-and-comment as "general statements of policy." 5 U.S.C. § 553(b)(A).

The APA was not created to interfere with or alter the substantive requirements of remedial statutes. As noted above, the imposition of additional procedural requirements drastically alters § 115 by eliminating its mandatory element. This result should have been avoided. The Courts:

> are not at liberty to imply a condition which is opposed to the explicit terms of the statute . . . To [so] hold . . . is not to construe the Act but to amend it.

Fedorenko v. U.S., 449 U.S. 490, 513 (1981) (quoting, *Detroit Trust Co. v. The Thomas Barlum*, 293 U.S. 21, 38 [1934]). The duty of the courts is:

> not to destroy the law but to enforce it, and in doing so to seek to discover the intention of the law maker, the wrong intended to be prevented and the remedy designed to be afforded by the enactment of the statute.

U.S. v. Baltimore and Ohio R.R. Co., 225 U.S. 306, 324 (1911), *Accord, Dickerson v. New Banner Institute, Inc.*, 460 U.S. 103, 118 (1983).

Here the intention of Congress in § 115 is clear. The findings of "harm" and "reciprocity" are meant to trigger a non-discretionary duty to begin a proceeding to abate international air pollution. The Court of Appeals imposed a discretionary procedural step which is contrary to that intent. In so doing, it destroyed the remedy which Congress designed to prevent harm to the public. The result is incorrect because in construing two statutes it is the duty of the court to determine and effectuate the underlying purposes of both. *Morton v. Mancari*, 417 U.S. 535, 551 (1974). When two statutes are capable of a harmonious construction, absent a clearly expressed Congressional intention to the contrary, the courts must regard each as effective, and preserve their sense and purpose. *Ruckelshaus v. Monsanto Company*, 467 U.S. 986, 1018 (1984); *Watt v. Alaska*, 451 U.S. 259, 267 (1981) (Powell, J. concurring).

Here, the Court could easily have harmonized the purposes of both statutes by determining that a comment opportunity on the threshold factual findings at a later stage in the overall rulemaking was sufficient. If the court was unsatisfied with EPA's assurances that it would provide such an opportunity, the court could have required EPA to take public comment on the findings, before issuing the final § 115 notices. These alternatives would avoid breaking the statutory linkage between the finding of harm and the mandatory duty to abate.

This Court's attention is needed to prevent the establishment of a precedent that the Administrative Procedure Act may be applied in a manner that voids the nondiscretionary nature of a substantive remedial statute. The effect upon the purposes of a substantive statute must be considered before adopting an interpretation of the APA which would impose additional procedural steps upon a regulatory process. The courts should be advised to avoid such a result particularly where, as here, the procedural step involved is merely redundant to that which would have been later afforded without judicial intervention.

B. The Court of Appeals Decision Threatens the Effectiveness of Many Remedial Statutes.

The use of threshold factual findings to trigger nondiscretionary duties to commence rulemaking is a standard remedial device employed in many federal statutes. Several of EPA's central pollution abatement obligations under the Clean Air Act are triggered in this way. The mandatory duties to establish national ambient air quality standards and state remedial plans to achieve them are triggered by certain factual findings of the Administrator.[28] Similarly, nondiscretionary duties to establish hazardous air pollutant standards, new source performance standards, interstate air pollution abatement requirements, regulations to protect the stratosphere, regulation of motor vehicle

---

[28] 42 U.S.C. §§ 7408, 7409, 7410 (a) (2).

emissions, and aircraft emission standards are all triggered by threshold factual findings regarding harm to the public.[29]

Similar triggering mechanisms are found in the Clean Water Act[30], the Resource Conservation and Recovery Act,[31] The Toxic Substances Control Act,[32] the Safe Drinking Water Act,[33] the Food and Drug Act,[34] and other remedial statutes.[35] The Congressional commands in each of these laws are severely undercut if plaintiffs in a citizen suit may be prevented from compelling an agency to proceed with mandatory duties because the *agency* has neglected to undertake a separate notice-and-comment proceeding on threshold factual findings.

If Congress had intended that federal agencies could so easily avoid such nondiscretionary duties, it would not have written strongly worded "citizen suit" provisions into most of these statutes.[36] These provisions were patterned after the Clean

---

[29] 42 U.S.C. §§ 7412, 7411, 7426, 7457, 7541, 7571 (a) (2).

[30] 33 U.S.C. 1288(b)(4)(D)(i); 1311(b)(2)(A); 1313(a)(1); 1313(a)(2); 1313(a)(3)(C); 1313(c)(3); 1313(d)(2); 1319(a)(1)(2)(3); 1320; 1322(f)(4)(A); 1328(b); 1341(a)(2); 1342(c)(3); 1344(i).

[31] 42 U.S.C. § 6921(b)(3)(iv); 6925(c)(d); 6926(c); 6933(b); 6947(a).

[32] 15 U.S.C. § 2603(a); 2603(c)(4)(B); 2603(f); 2604(e)(2)(A)(i); 2604(f).

[33] 42 U.S.C. § 300g-3(a); 300g-3(d); 300g-4(a)(1)(G); 300g-5(d)(2); 300h-1(c); 300h-2(a); 300h-3(e).

[34] 21 U.S.C. § 351(b), 454(c)(1).

[35] E.g., Surface Mining Control and Reclamation Act, 30 U.S.C. § 1271.

[36] Toxic Substances Control Act § 20, 15 U.S.C. § 2619 (1982); Surface Mining Control and Reclamation Act § 520, 30 U.S.C. § 1270 (1982); Clean Water Act § 505, 33 U.S.C. § 1365 (1982); Safe Drinking Water Act § 1449, 42 U.S.C. § 300j-8 (1982); Resource Conservation and Recovery Act § 7002, 42 U.S.C. § 6972 (1982).

Air Act's citizen suit provision. Generally, they allow any person to commence an action against a federal agency which has failed to perform any act or duty which is "not discretionary," and empower the District Court to order the agency to perform such act or duty. 42 U.S.C. § 7604 (Clean Air Act). The Court of Appeals decision, therefore, threatens not only the "shall" language in many federal remedial statutes, but also the purposes behind the citizen-initiated enforcement mechanisms established by Congress to ensure that its commands would be carried out.

CONCLUSION

For these reasons petitioners pray that a Writ of Certiorari issue to review the decision of the U. S. Court of Appeals.

Dated: February 20, 1987

Respectfully submitted,

ROBERT ABRAMS
Attorney General of the State
of New York

O. PETER SHERWOOD
Solicitor General
PETER H. SCHIFF
Deputy Solicitor General
DAVID R. WOOLEY
MICHAEL J. MOORE
Assistant Attorneys General
New York State Department of Law
The Capitol
Albany, New York 12224
(518) 474-4819

JAMES M. SHANNON
Attorney General of the
Commonwealth of Massachusetts

JANET McCABE
LEE BRECKENRIDGE
Assistant Attorneys General
Commonwealth of Massachusetts
One Ashburton Place, 19th Floor
Boston, Massachusetts 02108
(617) 727-2265

JAMES E. TIERNEY
Attorney General of the State of Maine

GREGORY W. SAMPLE
Assistant Attorney General
State of Maine
Office of the Attorney General
State House, Station 6
Augusta, Maine 04333
(207) 289-3661

JEFFREY L. AMESTOY
Attorney General of the State of
Vermont

J. WALLACE MALLEY, JR.
Assistant Attorney General
State of Vermont
Office of the Attorney General
109 State Street
Montpelier, Vermont 05602
(802) 828-3171

JAMES E. O'NEIL
Attorney General of the State
of Rhode Island

GARY POWERS
Special Assistant Attorney General
State of Rhode Island
Office of the Attorney General
72 Pine Street
Providence, Rhode Island 02903
(401) 274-4400

JOSEPH I. LIEBERMAN
Attorney General of the State
of Connecticut

ROBERT WHITEHEAD
Assistant Attorney General
State of Connecticut
State Office Building, Rm. 147
Hartford, Connecticut 06106
(203) 566-7213

STEVEN MERRILL
Attorney General of the State
of New Hampshire

DANA BISBEE
Assistant Attorney General
Environmental Protection
Division
State of New Hampshire
State House Annex
25 Capitol Street
Concord, New Hampshire 03301
(603) 271-3679

W. CARY EDWARDS
Attorney General of the State
of New Jersey

PAUL SCHNEIDER
Deputy Attorney General
Office of the Attorney General
Richard J. Hughes Justice Complex
(CN-112)
Trenton, New Jersey 08625
(609) 984-5612

HOWARD FOX
Attorney for Petitioners
Sierra Club
Natural Resources Defense Council
National Audubon Society
National Wildlife Federation
Honorable Richard Ottinger
Robert & Janet Townsend
Ellen Edith Desmond
Sierra Club Legal Defense Fund
1516 P Street, NW, Suite 300
Washington, DC 20005
(202) 667-4500

APPENDIX

APPENDIX A

OPINION OF THE UNITED STATES COURT OF APPEALS

LEE M. THOMAS, Administrator, United States Environmental Protection Agency, and Alabama Power Company, et al., Appellants,

v.

STATE OF NEW YORK, et al
(Two Cases).

LEE M. THOMAS, Administrator, United States Environmental Protection Agency, and National Coal Association, Appellants,

v.

STATE OF NEW YORK, et al.

LEE M. THOMAS, Administrator, United States Environmental Protection Agency, and Commonwealth of Kentucky, Appellants,

v.

STATE OF NEW YORK, et al.

LEE M. THOMAS, Administrator, United States Environmental Protection Agency, and State of Ohio, Appellants,

v.

STATE OF NEW YORK, et al.

Nos. 85-5970, 85-5972, 85-5994, 85-6113 and 85-6114

United States Court of Appeals, District of Columbia Circuit.

Argued May 15, 1986

Decided Sept. 18, 1986.

Before MIKVA and SCALIA, Circuit Judges, and WRIGHT, Senior Circuit Judge.

Opinion for the Court filed by Circuit Judge SCALIA.

SCALIA, Circuit Judge:

On January 13, 1981, Douglas M. Costle, at that time Administrator of the Environmental Protection Agency, sent a letter to then Secretary of State Edmund S. Muskie in which he concluded that "acid deposition is endangering public welfare in the U.S. and Canada and . . . U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country." This appeal requires us to decide whether, under § 115 of the Clean Air Act, 42 U.S.C. § 7415 (1982), Administrator Costle's letter legally obligated his successors to identify the states in which pollution responsible for acid deposition originates and to order those states to abate the emissions.

I

Subsection (a) of § 115 of the Clean Air Act, as amended by the Clean Air Act Amendments of 1977, Pub.L. No. 95-95, 91 Stat. 685, 710 (codified at 42 U.S.C. § 7415(a) (1982)) provides:

> Whenever the [EPA] Administrator, upon receipt of reports, surveys or studies from any duly constituted international agency has reason to believe that any air pollutant or pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country . . . the Administrator shall give formal notification thereof to the Governor of the State in which such emissions originate.

Subsection (b) provides that the "formal notification" issued under subsection (a) shall operate to force each state to revise as much of its state implementation plan (SIP) as is "inadequate

to prevent or eliminate the endangerment referred to in subsection (a)." (SIP's impose controls upon individual polluters within each state sufficient to ensure that national ambient air quality standards are met.) Finally, subsection (c) makes subsections (a) and (b) applicable only if the endangered foreign country is one "which the Administrator determines has given the United States essentially the same rights with respect to the prevention and control of air pollution occurring in that country as is given that country by this section."

On January 13, 1981, only days before President Reagan took office, outgoing EPA Administrator Costle wrote to then Secretary of State Muskie to express his belief that pollution emitted in the United States was at least partially responsible for acid deposition endangering public welfare in Canada. Acid deposition-often referred to as "acid rain"-is believed to occur when certain pollutants are transported through the atmosphere and chemically altered by atmospheric processes before being deposited in either dry or wet form. Administrator Costle based his "endangerment" finding on a report issued by the International Joint Commission, concededly a "duly constituted international agency" for purpose of § 7415(a). In his letter, Administrator Costle also concluded that newly enacted legislation authorized the Canadian government to provide the United States with essentially the same rights as the United States affords Canada under the Clean Air Act, although he recognized that this "reciprocity" finding "could be changed should the U.S. conclude that future Canadian actions interpreting or implementing their legislation were not giving essentially the same rights to the U.S." Administrator Costle sent a similar letter to Senator George Mitchell of Maine and announced his findings in a press release. No advance notice of Administrator Costle's actions was given, no comments were solicited, and neither the letter nor the findings were published in the Federal Register.

Administrator Costle's successors at the EPA did not regard his actions as sufficient to trigger any mandatory action under § 7415. Consequently, several eastern states, national environmental groups, American citizens who own property in

eastern Canada, and a Congressman sued the EPA in the United States District Court for the District of Columbia pursuant to the Clean Air Act's "citizen suit" provision, 42 U.S.C. § 7604(a)(2), which provides that "any person may commence a civil action on his own behalf . . . against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this [Act] which is not discretionary with the Administrator." The plaintiffs argued that the Costle letters imposed upon the current EPA Administrator a duty to identify the states responsible for acid deposition and to issue SIP revision notices to them.

The District Court agreed. *New York v. Thomas*, 613 F.Supp. 1472, 1481-86 (D.D.C. 1985). The court was not troubled by the EPA's argument that identifying which states to notify would be time consuming, costly and perhaps impossible; the Court simply stated that "the obligation to identify the polluting states is incidental to giving formal notification." *Id.* at 1484 n.*. Likewise, the Court was untroubled that Administrator Costle made his findings in private correspondence, without notice opportunity for comment, or publication in the Federal Register. The Court remarked that the EPA frequently uses correspondence to take "formal action" under the Clean Air Act, *id.* at 1484 n.**, and stated that publication of the Costle findings in the Federal Register "would be inappropriate for this kind of action because it is not a rule or policy statement," *id.* at 1484. The court ordered the EPA to reassess Administrator Costle's "reciprocity" finding and, if it remained accurate, to issue SIP revision notices within 180 days thereafter. On October 22, 1985, the current EPA Administrator found that reciprocity continues to exist between the United States and Canada. The District Court then stayed its order to permit the EPA to bring this appeal. We have jurisdiction under 28 U.S.C. § 1291 (1982).

II

This case involves an unusual statute executed in an unexpected manner. On its face, § 7415 requires an EPA Administrator who has reason to believe in the existence of an international air pollution problem to issue SIP revision notices to "*the* Governor" of "*the* State" responsible for it. In the context of a complex, multi-source pollution problem like acid deposition, identification of the problem does not necessarily bring with it identification of the blame-worthy states. Had the statute been executed as Congress probably anticipated, the present suit would not have arisen. Notice of the "endangerment" and "reciprocity" findings would have been issued at the same time as the proposed SIP revision notices, comment would have been taken on both, and both would have been published in final form in the Federal Register. *Cf. National Asphalt Pavement Ass'n v. Train*, 539 F.2d 775, 778 (D.C. Cir. 1976) ("*National Asphalt*") (finding that particular category of stationary source was "significant contributor" to air pollution issued simultaneously with proposed standards of performance whose issuance was triggered by such finding). Because Administrator Costle chose to issue the "endangerment" and "reciprocity" findings before attempting to identify the culpable states, however, we must determine appellants' claim that the findings legally bind the current Administrator to issue SIP notices. We conclude that, whatever the impact of Administrator Costle's letter, in cannot serve as a basis for judicial relief.

Section 551(4) of the Administrative Procedure Act ("APA"), 5 U.S.C. § 551(4) (1982), defines "rule" as "the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy." Clearly, an agency statement that bound subsequent EPA Administrators to issue SIP revision notices would be a statement of "future effect designed to implement . . . law or policy"*

---

* Both appellants and appellees labor under the misconception that the classification of an agency statement as a *rule* depends upon whether it substantially affects the interests of private parties. While language in past decisions of this

(footnote continued)

and thus a rule. It requires notice-and-comment procedures, therefore, unless it comes within one of the APA's exceptions for "interpretative rules, general statements of policy, or rules of agency organization, procedure or practice." 5 U.S.C. § 553(b)(A). The statement in the present case is none of these. The findings of "endangerment" and "reciprocity" are not an interpretative rule because they are not a "statement interpreting an existing statement or rule," *Batterton v. Marshall*, 648 F.2d 694, 705 (D.C. Cir. 1980); *see also Cabais v. Egger*, 690 F.2d 234, 237-38 (D.C. Cir. 1983); *Guardian Federal Savings & Loan Ass'n v. FSLIC*, 589 F.2d 658, 664 (D.C. Cir. 1978) ("*Guardian Federal*"); *Gibson Wine Co. v. Snyder*, 194 F.2d 329, 331 (D.C. Cir. 1952). They are not a "general statement of policy" for (on the assumption that they bind subsequent Administrators to action) they do more than express, without the "force of law," the EPA's "tentative intentions for the future." *Pacific Gas & Electric Co. v. FPC*, 506 F.2d 33, 38 (D.C. Cir. 1974). They are not a rule of "agency organization, procedure, or practice" because they "go[] beyond formality," *Pickus v. Board of Parole*, 507 F.2d 1107, 1113 (D.C. Cir. 1974), and "jeopardize[]" *Batterton*, 648 F.2d at 708, or "substantially affect," *National Ass'n of Home Health Agencies v. Schweiker*, 690 F.2d 932, 950 (D.C. Cir. 1982), *cert. denied*, 459 U.S. 1205, 103 S.Ct. 1193, 75 L.Ed.2d 438 (1983), the rights and interests of private parties.

---

court is somewhat misleading on the point, *see Environmental Defense Fund, Inc. v. Gorsuch*, 713 F.2d 802, 814-15 (D.C. Cir. 1983); *Environmental Defense Fund, Inc. v. Costle*, 636 F.2d 1229, 1254-55 (D.C. Cir. 1980), other decisions, *see e.g., Batterton v. Marshall*, 648 F.2d 694, 704-08 (D.C. Cir. 1980); *Department of Labor v. Kast Metals Corp.*, 744 F.2d 1145, 1150 & n. 5 (5th Cir. 1984), and the APA itself make clear that the impact of an agency statement upon private parties is relevant only to whether it is the *sort* of rule that is a rule of procedure, *see National Ass'n of Home Health Agencies v. Schweiker*, 690 F.2d 932, 949 (D.C. Cir. 1982), *cert. denied*, 459 U.S. 1205, 103 S.Ct. 1193, 75 L.Ed.2d 438 (1983), or a general statement of policy, *see Cabais v. Egger*, 690 F.2d 234, 237 (D.C. Cir. 1982), and thus does not require notice and comment, not to whether it is a rule at all. Indeed, the APA expressly includes within the definition of rule "an agency statement . . . describing the organization . . . of an agency"-a statement that can rarely if ever have effect outside the agency itself. 5 U.S.C. § 551(4).

The fact that it is not yet certain which particular states will receive SIP notices as a result of the findings and which particular dischargers within those states will suffer injury, may be relevant to the question of when legal challenge to the findings would be *ripe*, but does not convert them into a mere general statement of policy or a procedural rule. We conclude that if Administrator Costle's findings left the EPA no alternative but to issue SIP notices ultimately causing the termination or restriction of the operations of many utilities and manufacturers-if they *forced* the EPA to take direct and substantial regulatory actions-they could not be promulgated without notice-and-comment procedures.

Confirmation of this view is contained in *National Asphalt*, which held that an EPA Clean Air Act determination similar to the findings involved here was a rule that required notice-and- comment procedures. At issue in that case was the designation of a particular industry for inclusion on the list of stationary sources which "may contribute significantly to air pollution which causes or contributes to the endangerment of public health or welfare." 42 U.S.C. § 1857c-6(b)(1)(A) (1970). Within 120 days after such designation, the Administrator was obligated to publish proposed standards of performance for members of that industry. 42 U.S.C. § 1857c-6(b)(1)(B). We held that notice and comment was required *on the designation*. *National Asphalt*, 539 F.2d at 779 n. 2.

Appellees urge that a contrary result is demanded by *Environmental Defense Fund, Inc. v. Costle*, 636 F.2d 1229, 1254-56 (D.C. Cir. 1980) ("*Costle*"), which held that a settlement modification requiring the EPA to take certain investigatory actions was not a rule. *Costle*, however, like the cases upon which it relied, rests upon "a classification-of investigative acts-that is set apart from either adjudication or rulemaking." *Guardian Federal*, 589 F.2d at 663. No similar "investigative acts" are at issue in this case.

We need not address appellants' remaining arguments to the point that, even if the *Costle* findings *had* been published only

after notice and comment, they would nevertheless be insufficient to support the present suit. It suffices to say that, because the findings were issued without notice and comment, they cannot be the basis for the judicial relief appellees seek. How and when the agency chooses to proceed to the stage of notification triggered by the findings is within the agency's discretion and not subject to judicial compulsion.

* * * * * * * *

We reverse and remand to the District Court with instructions to dismiss.

So ordered.

APPENDIX B

OPINION OF THE UNITED STATES DISTRICT COURT

STATE OF NEW YORK, et al.,

Plaintiffs,

v.

LEE M. THOMAS, et al.,

Defendants.

Civ. A. No. 84-0853

UNITED STATES DISTRICT COURT,
DISTRICT OF COLUMBIA.

July 26, 1985.

MEMORANDUM OPINION

NORMA HOLLOWAY JOHNSON, District Judge.

Before the Court are a motion for summary judgment filed by plaintiffs and motions for summary judgment and to dismiss filed by defendant and defendant-intervenors in this action to compel the Administrator of Environmental Protection Agency (EPA) to perform certain duties under the Clean Air Act, 42 U.S.C. § 7401 et seq. (1977). Plaintiffs are six states, four environmental associations, and four individuals who seek to alleviate damage occurring in eastern Canada allegedly caused by the international movement of harmful pollutants originating in the midwestern United States. Defendant is the Administrator of EPA and is sued in his capacity as such. The National Coal Association and several industrial power companies were granted leave to intervene in these proceedings and filed briefs in support of defendant's motion to dismiss and for summary judgment. Plaintiffs seek an order compelling the Administrator to require emitting states to revise their State Implementation Plans (SIP's),

as mandated under section 115 of the Clean Air Act, 42 U.S.C. § 7415, in order to abate the damage allegedly traceable to the transboundary air pollution.

I. FACTUAL BACKGROUND

This action has its origin in a letter written during the final days of the Carter Administration from Douglas M. Costle, then Administrator of the EPA, to former Secretary of State Edmund Muskie (Appendix A). This letter, dated January 13, 1981, concluded in part that "acid deposition is endangering public welfare in the U.S. and Canada and . . . U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country." Costle stated in the letter that his conclusion was based on a report issued by the International Joint Commission. Additionally, in his letter, Costle analyzed legislative provisions similar to section 115 passed by the Canadian Legislature on December 17, 1980, and concluded that these provisions afforded the United States essentially the same rights as Canada was given under United States law. Costle reiterated and expanded upon his conclusions in a letter sent to Senator George Mitchell (Appendix B) on January 13, 1981, and issued his findings in a press release dated January 16, 1981. Plaintiffs contend that the determinations made by Costle were sufficient to invoke section 115 of the Clean Air Act which, plaintiffs urge, sets in motion a process culminating in revision of SIP's by polluting states. No Administrator, however, has issued formal notification to the governor of any state from which such emissions originate, as would be required by the statute. Indeed, former Administrators Gorsuch and Ruckelshaus have stated their belief that Costle's actions were insufficient to invoke section 115. Whether section 115 applies in this case-and, if so, its effect-is at controversy in the present action.

Section 115 provides in pertinent part:

(a) Whenever the Administrator, upon receipt of reports, surveys or studies from any duly constituted international agency has reason to believe that any air pollutant or

> pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country or whenever the Secretary of State requests him to do so with respect to such pollution which the Secretary of State alleges is of such a nature, the Administrator shall give formal notification thereof to the Governor of the State in which such emissions originate.
>
> (b) The notice of the Administrator shall be deemed to be a finding under section 7410(a)(2)(H)(ii) of this title which requires a plan revision with respect to so much of the applicable implementation plan as is inadequate to prevent or eliminate the endangerment referred to in subsection (a) of this section. Any foreign country so affected by such emission of pollutant or pollutants shall be invited to appear at any public hearing associated with any revision of the appropriate portion of the applicable implementation plan.
>
> (c) This section shall apply only to a foreign country which the Administrator determines has given the United States essentially the same rights with respect to the prevention or control of air pollution occurring in that county as is given that country by this section.

42 U.S.C. § 7415(a)-(c).

II. JUSTICIABILITY

A. *Statutory Basis for Jurisdiction*

[1] The Clean Air Act contains a citizen suit provision to permit enforcement of required actions under the Act by private citizens. This section states:

> Except as provided in subsection (b), any person may commence a civil action on his own behalf . . . against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under

> this Act which is not discretionary with the Administrator. . . (b) *Notice*. No action may be commenced . . . prior to 60 days after the plaintiff has given notice of such action to the Administrator. . . .

42 U.S.C. § 7604.

Plaintiffs allege that under section 115 the Administrator is charged with performing a mandatory duty and due notice having been served upon him, they thus invoke jurisdiction under the citizen suit section. Whether the duties of the Administrator under section 115 are mandatory or discretionary is discussed more fully in Part III of this opinion, *see infra* pp. 1485-1486; however, as the Court concludes that the duties are mandatory, jurisdiction of this action properly lies in the district court under 42 U.S.C. § 7604. *See Kennecott Copper Corporation, Nevada Mines Division, McGill, Nevada v. Costle*, 572 F.2d 1349 (9th Cir. 1978).

B. *Applicability of TRAC*

[2] Intervenors argue further that, notwithstanding the provisions of 42 U.S.C. § 7604, jurisdiction of this action is exclusively vested in the United States Court of Appeals for the District of Columbia Circuit based on that court's recent decision in *Telecommunications Research and Action Center v. Federal Communications Commission*, 750 F.2d 70 (D.C. Cir. 1984) (TRAC). Specifically, intervenors argue that under *TRAC* any action or inaction by the Administrator with respect to the Costle letters is reviewable only in the Court of Appeals for this Circuit pursuant to section 307 of the Clean Air Act. Section 307 provides for direct review by the court of appeals of "final action taken" in specific and enumerated instances. See 42 U.S.C. § 7607(b)(1). However, as the subject of the instant complaint is not "final action" and is not included among the specific statutory bases for appellate court jurisdiction, section 307 cannot apply.

Intervenors' reliance on *TRAC* is misplaced. Plaintiff in *TRAC* claimed that the FCC unreasonably delayed making a determination that AT & T was required to reimburse ratepayers for

allegedly unlawful overcharges. Under the applicable statute, exclusive jurisdiction was conferred upon the court of appeals to determine the validity of "all final orders of the Federal Communications Commission." 28 U.S.C. § 2342(1) (1982); 47 U.S.C. § 402(a) (1982). The court of appeals held that its jurisdiction was exclusive over nonfinal matters as well by virtue of the exclusive jurisdiction provision coupled with the All Writs Act, 28 U.S.C. § 1651(a) (1982). The All Writs Act empowers federal courts to issue writs necessary to aid their respective jurisdictions. The court held that its authority would "extend[] to support an ultimate power of review, even though it is not immediately and directly involved." 750 F.2d at 76.

The present case differs markedly from *TRAC*. Rather than vesting ultimate review in the court of appeals, the Clean Air Act specifically defines the role the district courts are to play in its enforcement. Plaintiffs do not seek review of final agency action which would be cognizable under section 307. They seek review of an alleged failure to take action alleged to be mandatory. Although Costle's acts fall short of final action-as was the case in *TRAC*-there is no need-and, indeed, no authority-for the court of appeals to protect its prospective jurisdiction. The review of the failure to perform a nondiscretionary act is vested in the district court under section 304. The EPA, which argues contrarily to intervenors with respect to this issue, urges in it surreply that intervenors "can only read *TRAC* into this case by reading section 304 out of the Clean Air Act." EPA Surreply at 2. As this claim is properly before the Court under section 304, the Court now proceeds to determine whether a justiciable controversy has been presented.

C. *Subject Matter Jurisdiction*

Defendants have moved to dismiss the complaint for lack of subject matter jurisdiction. The Court has reviewed the alternative bases for dismissal and concludes that plaintiffs have alleged material facts sufficient to sustain their claim that the court possesses subject matter jurisdiction.

[3] Article III of the United States Constitution defines and limits the jurisdiction of United States courts, stating in part that the judicial power shall extend only to cases and controversies. *Hall v. Beals*, 396 U.S. 45 90 S.Ct. 200, 24 L.Ed.2d 214 (1969). This constitutional requirement has been interpreted by the United States Supreme Court to mean that a plaintiff seeking redress must allege:

a. threatened or actual direct injury resulting from the putatively illegal action; and

b. an injury that can be fairly traced to the challenged action that is likely to be redressed by a favorable decision.

Valley Forge Christian College v. Americans United for Separation of Church and State, Inc., 454 U.S. 464, 472, 102 S.Ct. 752, 758, 70 L.Ed.2d 700 (1982) ("*Valley Forge*") [quoting *Simon v. Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26, 38, 41, 96 S.Ct. 1917, 1924, 1925, 48 L.Ed.2d 450 (1976)]. *Warth v. Seldin*, 422 U.S. 490, 498-99, 95 S.Ct. 2197, 2204-05, 45 L.Ed2d 343 (1975); *Linda R.S. v. Richard D.*, 410 U.S. 614, 617, 93 S.Ct. 1146, 1148, 35 L.Ed.2d 536 (1973); *Baker v. Carr*, 369 U.S. 186, 204, 82 S.Ct. 691, 703, 7 L.Ed.2d 663 (1962).

[4] These requirements assume constitutional stature because they tend to ensure "a concrete factual context conducive to a realistic appreciation of the consequences of judicial action." *Valley Forge*, 454 U.S. at 472, 102 S.Ct. at 758. Thus, even where Congress creates a statutory right of action, as it has through section 304, a litigant suing under such a statute may vindicate his claim only if he meets the constitutional requirements articulated above, although a statutory right of action will excuse a litigant from meeting the federal common law "prudential" requirement of justiciability. *Warth v. Seldin*, 422 U.S. at 501, 95 S.Ct. at 2206. *See also Valley Forge*, 454 U.S. at 487-88 n. 24, 102 S.Ct. at 766-67 n. 24.

1. *General Principles*

Section 304 of the Clean Air Act, as noted above, provides that "any person" may commence a civil action to compel the

Administrator to undertake action under the Act which is not discretionary. Under section 302 of the Act, person is defined to include "an individual, corporation, partnership, association [or] State. . . ." Thus, all of the plaintiffs who have joined in this action have statutorily cognizable claims. In addition, all plaintiffs except Representative Ottinger have presented facts sufficient to meet the constitutional requirements discussed above.

[5] The state plaintiffs in this action seek enforcement not only for their citizens but on their own behalf. Although states frequently sue under the doctrine of *parens patriae*, it is not uncommon for them also to maintain their own actions. The Supreme Court has countenanced this procedure by holding in a related context that states may rely on such statutes to establish standing to challenge federal executive action. *Wisconsin v. Federal Power Commission*, 373 U.S. 294, 83 S.Ct. 1266, 10 L.Ed.2d 357 (1963) (state permitted to sue under the Natural Gas Act without meeting *parens patriae* criteria); *Phillips Petroleum Company v. Wisconsin*, 347 U.S. 672, 74 S.Ct. 794, 98 L.Ed. 1035 (1954); *Pennsylvania v. Kleppe*, 533 F.2d 668 (D.C. Cir. 1976) *cert. denied*, 429 U.S. 977, 97 S.Ct. 485, 50 L.Ed.2d 584; *see also Hancock v. Train*, 426 U.S. 167, 196, 96 S.Ct. 2006, 2020, 48 L.Ed.2d 555 (1976) (section 304 of the Clean Air Act "is the only means provided by the Act for the States to remedy noncompliance").

[6] The citizen group plaintiffs sue on behalf of themselves and on behalf of their members "who reside in areas throughout the midwestern and northeastern states and eastern Canada and breathe air pollution and suffer the other types of acid rain damages which are the subject of this action." Complaint at 4. Defendants argue that plaintiff associations have failed to allege that the associations or their members had been adversely affected by the inaction of the Administrator, relying principally on *Sierra Club v. Morton*, 405 U.S. 727, 92 S.Ct. 1361, 31 L.Ed.2d 636 (1972) and *Warth v. Seldin*, 422 U.S. 490, 95 S.Ct. 2197, 45 L.Ed.2d 343. These cases, however, do not prove defendants' contention. In *Sierra Club v. Morton*, plaintiff sued to obtain judicial review of action by the United States Forest Service approving recreational development in the Sierra Nevada

Mountains. The Supreme Court denied standing to the plaintiff because it "failed to allege that it or its members would be affected in any of their activities or pastimes. . . ." 405 U.S. at 735, 92 S.Ct. at 1366. In the present case, however, the plaintiffs have alleged not only that emissions from the polluting states have adversely affected eastern Canada, but also have alleged and supported with documentation that its members live, work, vacation, or own property in eastern Canada.

Moreover, in *Warth*, the Supreme Court recognized that an association may assert the rights of its members, but denied standing to the associated because none of them have *sufficiently* alleged cognizable injury. In this case, plaintiff associations have alleged with particularity that many of its members have suffered or will suffer concrete harm as a result of the putatively illegal inaction. Unlike *Warth*, which involved a tenuous causal link between alleged illegality and the alleged harm, the present case involves alleged inaction which, if cured, may lead directly to reduced emissions and thus reduced harm. Plaintiffs have quite clearly stated that "respirable particulates and deposition of acidic materials are causing substantial and irreversible damage to the health and welfare of the people of the plaintiff states, plaintiff organizations, and the individual plaintiff." Complaint at 1-2.

[7] The individual plaintiffs, with the exception of Representative Ottinger, also have alleged material facts sufficient to enable them to proceed as plaintiffs in this action. These plaintiffs own property in the Muskoka Lake area of Ontario and allege that their "air and water quality and personal property have been damaged by air pollution emitted from certain Midwestern States." Complaint at 5. Although defendants have countered that these plaintiffs have failed to specify any adverse effects that have impaired the use of their property, the Court is of the opinion that this is not required. Plaintiffs have alleged that their health and property have been placed in jeopardy by the pollutants. Further, the fact that their presence in a geographical region harmed by the Administrator's alleged inaction is sufficient to confer upon them a cognizable interest.

See Sierra Club v. Morton, 405 U.S. at 734, 92 S.Ct. at 1366 ("[a]esthetic and environmental well-being, like economic well-being, are important ingredients of the quality of life in our society, and the fact that particular environmental interests are shared by the many rather than the few does not make them less deserving of legal protection through the judicial process").

[8] Representative Ottinger asserts a cognizable interest by virtue of his position as a Member of Congress. However, there are no special standards for determining congressional standing. As Representative Ottinger has not alleged any property interest or personal presence in the affected areas, and has not alleged other facts which entitle him to invoke the Court's jurisdiction, his complaint is merely a generalized grievance shared equally with all citizens. However, as the other plaintiffs have alleged claims sufficient to invoke the Court's jurisdiction, Ottinger may remain in the action. *See Watt v. Energy Action Educational Foundation*, 454 U.S. 151, 160, 102 S.Ct. 205, 212, 70 L.Ed.2d 309 (1981); *Arlington Heights v. Metropolitan Housing Development Corporation*, 429 U.S. 252, 264 n. 9, 97 S.Ct. 555, 563 n. 9, 50 L.Ed.2d 450 (1977).

2. *Direct Injury*

[9, 10] In addition to presenting properly cognizable claims in their representative or individual capacities, plaintiffs also have alleged cognizable direct injury sufficient to meet the constitutional requirement of direct injury. As noted above, environmental harm is a legally redressable injury. *Sierra Club v. Morton*, 405 U.S. at 734, 92 S.Ct. at 1366. Further, although defendants object that plaintiffs have not presented specific evidence of identifiable harm that has befallen them, legally recognizable harm may be retrospective or prospective in nature. *See United States v. Students Challenging Regulatory Agency Procedures*, 412 U.S. 669, 689 n. 14, 93 S.Ct. 2405, 2417 n. 14, 37 L.Ed.2d 254 (1973) ("SCRAP") *See also Linda R.S. v. Richard D.*, 410 U.S. at 617, 93 S.Ct. at 1148 ("Although the law of standing has been greatly changed in the last 10 years, we have steadfastly adhered to the requirement that, at least in the absence of a statute expressly

conferring standing, federal plaintiffs must allege some *threatened or actual injury* resulting from the putatively illegal action before a federal court may assume jurisdiction") (emphasis added) (citations omitted). Since emissions from polluters in the midwestern United States may cause damage to air quality, water quality, and property in Canada, areas in which plaintiffs' citizens or members live, work, vacation or own property, plaintiffs have alleged threatened or actual injury sufficient to establish standing. *See Friends of the Earth v. Potomac Electric Power Company*, 419 F.Supp. 528, 530 (D.D.C. 1976) (association found to have standing to sue under the Clean Air Act to abate pollution in Washington, D.C. where 430 of its 28,000 members resided or worked in Washington and thus breathed and were harmed by pollution).

3. *Traceability and Redressability*

[11, 12] Article III requires that the injury complained of be fairly traced to the challenged action and that the harm involved be likely to be redressed by judicial intervention. As plaintiffs correctly noted, traceability and redressability "are inseparable in the present case because the relief plaintiffs seek is an order compelling the EPA to end the very inaction which is the cause of plaintiffs' injuries." Plaintiffs' Memorandum of Points and Authorities at 41. These questions are problematic in the area of acid precipitation because of political and scientific dispute over the extent to which acid rain causes damage to aquatic ecosystems, terrestrial ecosystems, animal health, human health, or artifacts. *See generally* Carroll, *Acid Rain: An Issue in Canadian-American Relations* (Toronto and Washington: 1982). Defendants in this case contend that plaintiffs have failed to establish a causal link between EPA inaction and the aggravated harm in Canada. They argue that, even if EPA is required to act, "it would be difficult, if not impossible, to identify facilities causing international pollution over hundreds of kilometers." Memorandum In Opposition to Plaintiffs' Motion for Summary Judgment at 19. This argument, however, is little more than an assertion that EPA is unable or unwilling to do what Congress has mandated it must do. Indeed, at the heart

of section 115 is the congressional determination that the revision of state implementation plans is an effective mechanism for abatement of international air pollution. *See* S.Rep. No. 127, 95th Cong. 1st Sess. 57 (1977), U.S.Code Cong. & Admin. News 1977, p. 1077. *See also Animal Welfare Institute v. Kreps*, 561 F.2d 1002, 1010 (D.C. Cir. 1977), *cert. denied*, 434 U.S. 1013, 98 S.Ct. 726, 54 L.Ed.2d 756 (1978) (by enacting remedial measures under the Marine Mammal Protection Act, Congress determined that a causal relationship existed between American import practices and South African sealing practices). As the language of section 115 clearly indicates that a reduction in emissions will abate the deleterious effects of midwestern pollution on public health and welfare in Canada, the Court concludes that the constitutional requirements of traceability and redressability have been satisfied. Moreover, the United States Court of Appeals for the District of Columbia Circuit has held that the "redressability requirement" is to be construed broadly in favor of plaintiffs:

> [B]ecause the relevant inquiry is directed to the effect of a future act (the court's grant of the requested relief) it would be unreasonable to require the plaintiff to *prove* that granting the requested relief is *certain* to alleviate his injury. Furthermore, as cases such as the present one show, litigation often 'present[s] complex interrelationships between private and government activity that make difficult absolute proof that the harm will be removed.' Thus, a court should be careful not to require too much from a plaintiff attempting to show redressability, lest it abdicate its responsibility of granting relief to those injured by illegal government action.

Community Nutrition Institute v. Block, 698 F.2d 1239, 1248 (D.C. Cir. 1983) (citations omitted), *rev'd on other grounds*, ____ U.S. ____, 104 S.Ct. 2450, 81 L.Ed.2d 270 (1984). *Accord: International Ladies' Garment Workers' Union v. Donovan*, 722 F.2d 795, 811 n. 27 (D.C. Cir. 1983); *cert. denied* ____ U.S. ____, 105 S.Ct. 93, 83 L.Ed.2d 39 (1984). Moreover, plaintiff

need not show that the injury would be completely redressed, so long as " 'the requested relief would benefit [them] in some perceptible, tangible fashion.' " *Sierra Club v. Edwards*, 19 Envir. Rep. (BNA) 1357, 1366 (D.D.C. 1983) (citing *Public Citizen v. Lockheed Aircraft Corporation*, 565 F.2d 708, 715 (D.C. Cir. 1977). Therefore, there is no basis to conclude that the injury is not likely to be redressed by a favorable decision. Having concluded that the plaintiffs have presented a justiciable controversy, the Court now turns its attention to the merits of the action.

III. ANALYSIS OF THE SECTION 115 CLAIM

The task before the Court now is to determine if the requirements of section 115 have been satisfied and, if so, what action is required by the Administrator under the statute.

A. *Whether Section 115 Has Been Satisfied*

1. Receipt of Reports

[13] "The initial requirement under section 115 is that the Administrator receive a report from a duly constituted international agency. . . ." 42 U.S.C. § 7415. Costle stated in his letter to Secretary Muskie that he examined in connection with his consideration of the United States-Canada acid rain issue the *Seventh Annual Report on Great Lakes Water Quality*, issued in October 1980 by the International Joint Commission. Costle averred that this report "confirms that acid deposition is endangering public welfare in the U.S. and Canada. . . ." It thus appears that his determination was made "upon receipt" of the IJC report. Therefore, the only question remaining is whether the IJC is a duly constituted international agency.

Although the phrase "duly constituted international agency" is not defined in the Act or in the legislative history, the IJC would meet the expectations of the drafters of this section. The Commission, established by the Boundary Waters Treaty of 1909, United States-Canada, 36 Stat. 2448, T.S. No. 548 (effective May 13, 1910), is charged with the responsibility of resolving transboundary water and navigational disputes between the United

States and Canada. It includes the approval of applications for the use, obstruction, or diversion of water which would affect the natural level or flow of water on the other side of the boundary and the investigation of disputes involving United States-Canada boundaries. *See generally* B. Caplan, *The Applicability of Clean Air Act Section 115 To Canada's Transboundary Acid Precipitation Problem*, 11 B.C. Envtl. Aff. L. Rev. 539, 580-82 (1984). Based on these characteristics of the Commission and the apparent agreement by the parties that the agency is duly constituted, the Court concludes that the Costle determination was made "upon receipt of reports, surveys or studies from any duly constituted international agency. . . ."

2. Reason to Believe

[14] In order to trigger invocation of section 115, the Administrator must have "reason to believe that any air pollutant or pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country. . . ."

The IJC Report, upon which Administrator Costle in part based his decision, concludes that:

> "transmission of toxic and hazardous substances to the Great Lakes via long range atmospheric transport and deposition is a serious problem which requires further research efforts and control measures. . . . All parts of the Great Lakes watershed are now receiving precipitation containing 5 to 40 times more acid than would occur in the absence of atmospheric emission."

Based on these findings, the Commission recommended "appropriate actions to substantially reduce atmosphere emissions of sulphur and nitrogen oxides from existing as well as new sources. . . ."

The Clean Air Act does not specifically state what is necessary for the Administrator to have "reason to believe", but the IJC Report would have afforded Costle ample basis upon which to conclude that air pollutants in the United States contribute to

acid precipitation occurring in Canada such that it could reasonably be anticipated that the public health and welfare of Canada would be endangered. Indeed, that is exactly what Costle believed, for he specifically stated that "the IJC Report confirms that acid deposition is endangering public welfare in the United States and Canada and that the United States and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country."

Defendants argue that Costle's findings are ambiguous and do not satisfy the requirements of section 115. They contend that Costle only made the finding that "the *cumulative effects* of Canadian and the United States emissions are creating a risk of public harm in Canada." EPA Motion to Dismiss at 29. This argument, however, cannot be reconciled with Costle's statements. In the letter to Senator Mitchell, Costle stated:

> The relative contribution of U.S. and Canadian emission sources to acid deposition problems in the U.S. and Canada varies widely from location to location. . . . Surveys conducted over the past several years establish that there is a significant flow of these pollutants across the U.S.-Canadian border in both directions. Thus, we can say with some certainty that emission sources in the U.S. contribute significantly to the atmospheric loadings over some sensitive areas in Canada and that emission sources in Canada contribute significantly to the loadings over some sensitive areas in the United States.

Plaintiffs' Exhibit 1-E at 2-3.

It was based on this information that Costle had reason to believe that "U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country." Therefore, this requirement of the statute is satisfied.

3. Reciprocity

[15] In addition, section 115 requires that its provisions be invoked only where the Administrator has determined that the foreign country involved afford to the United States essentially the same rights that the United States grants it with respect to international air pollution.

Under section 21.1 of the Canadian legislation, if the Minister of Environment has reason to believe that Canadian contaminants contribute to air pollution which may reasonably be expected to constitute a significant danger to the health, safety, or welfare of persons in another country, the Minister shall recommend to the Governor in Council specific emission standards appropriate to reduce the damage. Additionally, the statute requires the Minister of Environment to consult with the province where the source of the international air pollution is located and provides that a particular province can act to remedy air pollution affecting a foreign country much in the same way that a state might revise its SIP's under section 115(b).

Costle discussed the Canadian law provisions and their effect on the issue of reciprocity in the letters he wrote to Secretary Muskie and Senator Mitchell. Costle concludes that "the amendments to the Canadian Clean Air Act do give adequate authority to the Government of Canada to provide essentially the same rights to the United States as Section 115 provides to Canada." However, Costle qualifies this conclusion by characterizing the reciprocity determination as a fluid and dynamic situation that is subject to change. He states that his determination "could be changed should the U.S. conclude that future Canadian actions interpreting or implementing their legislation were not giving essentially the same rights to the U.S." In addition, Costle emphasizes that at the time of any final action, "the Administrator must continue to be able to find that Canada is giving the United States essentially the same rights. . . ."

Defendants urge that Costle merely opines on whether the Canadian legislation provides reciprocal rights to the United

States. Defendants cite to Costle's language that his determination is not "permanently binding. . . ." However, this merely underscores the reality that a finding under the statute must be based on an analysis of facts and law as they exist at a particular time and that a change of either facts or law might require reexamination of the determination. Moreover, should defendants wish to challenge Costle's findings, the appropriate time and forum would be after a final action has been taken by the Administrator in an action commenced in the court of appeals. 42 U.S.C. § 7607.

Based on its review of Costle's letters, the Court concludes that Costle did in January 1981 satisfy the section 115 requirement that "the Administrator determine[] [that Canada give[s]] the United States essentially the same rights with respect to the prevention or control of air pollution occurring in that country as is given that country by this section." However, the Court is concerned by Costle's own qualifications of his conclusion, aggravated in this case by the lengthy passage of time since the determination was made. Therefore, the Court will afford the current EPA Administrator an opportunity to review the issue of reciprocity to determine whether Costle's conclusion remains viable.

B. *The Effect of a Finding That Section 115 Has Been Invoked*

[16] Under section 115, once the formal requirements of the statute have been met, "the Administrator shall give formal notification thereof to the Governor of the State in which such emissions originate." 42 U.S.C. § 7415(a). This notice "shall be deemed to be a finding . . . which requires a plan revision with respect to so much of the applicable implementation plan as is inadequate to prevent or eliminate the endangerment referred to in subsection (a)." 42 U.S.C. § 7415(b).*

---

* The Court notes that the states to which notification is due were not identified by Costle. Costle instructed his staff to determine which states were to be targeted, but no final action was taken. The Court is convinced that the

(footnote continued)

Defendants attack the legal significance of Costle's findings on three bases. First, they argue that Costle's findings did not constitute official decision-making. Second, they contend that Costle's actions were revoked by the actions of his successor, Administrator Gorsuch. Third, defendants urge that the decision to act under section 115, even once the necessary findings have been made, is discretionary.

1. Official Decision-Making

[17] With respect to whether Costle made official determinations, defendants note that Costle's determination was made by letter and argue that letters cannot constitute formal administrative decision-making. Defendants suggest that another method, for example, publishing the letters in the Federal Register, would have given the determinations the characteristics of official action.

Plaintiffs reply that the letters have all the attributes of official agency action because they were written to the Secretary of State, who is charged with administering foreign relations and because they were publicized as agency action in a press release. Plaintiffs cite other examples of official EPA action which was taken by communicating through correspondence. The Court concludes that the fact that Costle memorialized his findings in a letter does not defeat their classification as official agency action. It appears that publication in the Federal Register would be inappropriate for this kind of action because it is not a rule or policy statement. 5 U.S.C. §§ 552(a)(1) and 553(b). Additionally, notification to the Governors would presumably be achieved by letter. That the Administrator chose this medium

---

obligation to identify the polluting states is incidental to giving formal notification and not a prerequisite to the conclusion that Costle made the requisite findings under section 115. The construction of section 115 and Costle's description of the statute in his letter to Secretary Muskie illustrate that section 115 is triggered once the Administrator receives qualified reports that give him reason to believe United States sources are polluting Canada and the Administrator makes the requisite finding of reciprocity.

to make his findings should not frustrate the Administrator's intent to secure compliance by the states.**

2. Revocation

[18] Defendants also argue that whatever determinations Costle made were revoked by Administrator Gorsuch in a letter she sent to the Governor of Ohio on September 22, 1981. In this letter, Gorsuch assured Governor Rhodes that Costle's letter did not satisfy section 115 and that the letter was void of legal significance. *See* Defendants' Exhibit 1.

Plaintiffs counter that while Gorsuch made a legal conclusion of the effect of the letter, she did not review the factual bases for the determination nor suggest that these determination were erroneous. This kind of factual review appears to have been necessary under the ordinary procedure that an Administrator employs to avoid being bound by the decisions of a predecessor. *See* EPA Exhibit 6 ("a new Administrator could "reconsider" or "make different findings"). Gorsuch made no such factual findings. She did not address the relevant facts which would have been considered in revoking the prior administrative findings. She did not refer to any change of circumstances which would call into question the adequacy of Canadian law to provide rights to the United States. She did not address any changes in scientific evidence demonstrating the cessation of adverse impacts in Canada from U.S. emissions. Therefore, it cannot be concluded that the Gorsuch letter revoked the Costle determination that

---

** Correspondence is frequently used by EPA to take formal action under the Clean Air Act. For example, notification to owners of major pollution sources that are subject to particular emission control requirements is frequently accomplished by correspondence. *See Harrison v. PPG Industries*, 446 U.S. 578, 582, 100 S.Ct. 1889, 1892, 64 L.Ed.2d. 525 (1980); *Hawaiian Electric Company v. EPA*, 723 F.2d 1440, 1442 (9th Cir. 1984). Determinations that a source is not in compliance with emission control requirements under 42 U.S.C. § 7413 of the Act is accomplished by correspondence. *Wisconsin's Environmental Decade, Inc. v. Wisconsin Power and Light Co.*, 395 F.Supp. 313 (W.D. Wis. 1975). Waivers by the Administrator of "new source performance standards" under 42 U.S.C. 7411(j) have been denied to operators of emission sources by way of correspondence. *Central Illinois Public Service Co. v. U.S. EPA*, 594 F.2d 636, 637 (7th Cir. 1979).

section 115 was applicable. *See Motor Vehicle Manufacturers Association of the United States, Inc. v. State Farm Mutual Automobile Insurance Company*, 463 U.S. 29, 103 S.Ct. 2856, 2866, 77 L.Ed.2d 443 (1983) ("Revocation constitutes a reversal of the agency's former views as to the proper course. A 'settled course of behavior embodies the agency's informed judgment that, by pursuing that course, it will carry out the policies committed to it by Congress. There is, then, at least a presumption that those policies will be carried out best if the settled rule is adhered to.' Accordingly, an agency changing its course by rescinding a rule is obligated to supply a reasoned analysis for the change beyond that which may be required when an agency does not act in the first instance") (citations omitted).

3. Discretionary Act

Third, defendants urge that the decision to act under section 115 is discretionary. The Court notes that this is really a jurisdictional argument because section 304 jurisdiction exists in the district court only to challenge mandatory duties that the Administrator has failed to perform. Nevertheless, defendants urge that, even if Costle made the requisite findings under the statute, the decision whether to notify the Governors or to take any additional steps under section 115 is discretionary.

Defendants' argument finds no support either in the statute and its legislative history or in the relevant case law. The plain language of section 115 is clear: whenever the Administrator makes the findings set forth in the statute, "the Administrator *shall* give formal notification thereof to the Governor of the State in which such emissions originate" (emphasis added). As reiterated by the United States Court of Appeals for the District of Columbia Circuit, when the Clean Air Act uses "shall," the normal inference is that the act is mandatory. *Oljato Chapter of the Navajo Tribe v. Train*, 515 F.2d 654, 664 (D.C. Cir. 1975). *See also Anderson v. Yungkau*, 329 U.S. 482, 485, 67 S.Ct. 428, 430, 91 L.Ed. 436 (1947). In addition, the *Report of the Committee on Public Works* of the United States Senate concluded

that "[s]ection 115, as revised, therefore, provides that the determination that emissions of air pollutants in the United States are endangering the health or welfare of citizens of a foreign country *will require* the State in which the source of those emissions is located to revise its implementation plan to control those emissions." *Senate Comm. on Public Works, Clean Air Amendments of 1976, S.Rep. No. 717*, 94th Cong., 2d Sess. (1976).

Defendants argue that a section 115 decision must be discretionary because it "requires the fusion of technical knowledge and skills with judgment which is the hallmark of duties which are discretionary." Intervenors' Memorandum of Points and Authorities at 17 (quoting *Kennecott Copper Corporation, Nevada Mines Division, McGill, Nevada v. Costle*, 572 F.2d 1349 (9th Cir. 1978) ("*Kennecott*")). However, the cases upon which defendants rely and other relevant cases suggest that discretion exists in the Administrator to determine only the *manner* in which the duty is to be executed, not whether it is to be executed. In *Kennecott*, for example, the court held that it did not have jurisdiction under section 304 of the Clean Air Act because the plaintiff sought review of a discretionary action. Specifically, plaintiff sought a declaratory judgment that it had satisfied the Act by making certain improvements. Plaintiff relied on section 110(a)(3) of the Act, which states that the Administrator "shall approve" any revision meeting the statutory requirements, to contend that the Administrator was under a mandatory duty to approve a variance. However, the Court held that determining whether a SIP met the requirements was discretionary, thus it had no jurisdiction. The Court pointed out that once the Administrator had made the determination that the statutory requirements had been met, "there is a nondiscretionary duty to act in accordance with his determination." 572 F.2d at 1355. This holding is applicable to the present case. The Administrator exercised discretion in determining whether the statutory requirements had been met, but once he made the determination that the requirements had been satisfied, he was under a mandatory duty to act in accordance with the statute by giving formal notification to the Governors. The relevant case law uniformly upholds the determination that sections employing the word

"shall" in the Clean Air Act signify mandatory duties. *See Train v. Natural Resources Defense Council*, 421 U.S. 60, 79, 95 S.Ct. 1470, 1481, 43 L.Ed.2d 731 (1975) (once statutory criteria are met, agency action is required); *Natural Resources Defense Council v. Train*, 545 F.2d 320, 328 (2d Cir. 1976) (to hold other than that the use of "shall" in the statute is to render this mandatory language mere surplusage); *Oljato Chapter of Navajo Tribe v. Train*, 515 F.2d 654, 662 (D.C. Cir. 1975) (it would be an abuse of discretion for the Administrator to fail to revise a standard of performance when the evidence supporting revision is compelling); *Citizens for a Better Environment v. Costle*, 515 F.Supp. 264 (N.D.Ill.1981); *Dow Chemical Company v. Costle*, 480 F.Supp. 315, 317 (E.D.Mich.1978), *aff'd* 659 F.2d 724 (6th Cir.1981). Therefore, the Court concludes that the duty of the Administrator to act according to the statute is nondiscretionary under section 115.

IV. CONCLUSION

The Court concludes from the record before it that defendants' motions to dismiss and for summary judgment must be denied and that plaintiffs' motion for summary judgment should be granted. Having concluded that Administrator Costle properly invoked section 115 of the Clean Air Act, it now is incumbent upon the current EPA Administrator to "give formal notification" to the Governors of the states in which harmful emissions originate and to set in motion the necessary processes to require a plan revision so as to prevent or eliminate the endangerment encompassed by the Costle determinations. An appropriate Order accompanies this Memorandum.

APPENDIX A TO DISTRICT COURT OPINION

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY

WASHINGTON, D.C. 20460

JAN 13 1981

Honorable Edmund S. Muskie
Secretary of State
Washington, D.C. 20242

Dear Mr. Secretary:

As you know, on December 17, 1980, the Canadian Parliament approved legislation providing the Canadian federal government with authority to abate emissions from Canadian sources which contribute to transboundary air pollution. On December 24, 1980, the Department of State announced that the United States would evaluate the Canadian legislation to determine whether it provides essentially the same rights as Section 115 of the U.S. Clean Air Act.

As required by the Clean Air Act, I have completed my review of the Canadian legislation. After consultation with the Department of State, I have concluded that the Canadian legislation provides the Government of Canada with authority to give the United States essentially the same rights as Section 115 of the Clean Air Act gives to Canada. In addition to this initial determination based on the language of the Canadian legislation, the Administrator must be able to determine that the Government of Canada is exercising or interpreting that authority in a manner that provides essentially the same rights to the United States. This second aspect of EPA's determination is necessarily a dynamic one which will continue to be influenced by Canadian action now and in the future.

Section 21.1(1) of the Canadian legislation provides that where the Minister of Environment has reason to believe that an air contaminant emitted by a Canadian source or sources creates or contributes to air pollution that may reasonably be expected to constitute a significant danger to the health, safety, or welfare

of persons in another country, the Minister shall recommend to the Governor in Council (the highest federal executive authority) specific emission standards for the source or sources, in relation to the air contaminant, either alone or in combination with one or more other air contaminants, as he considers appropriate to eliminate or significantly reduce the danger. Under Section 21.1(2), if Minister proposes a recommendation, the notice of the proposal is to be published in the *Canadian Gazette*. A reasonable opportunity to make representations to the Minister concerning the proposal is to be offered to persons in Canada who would be affected by the prescription of specific emission standards, and to the endangered country.

For sources other than "federal" sources, Section 21.1(3) in effect requires that before making a final recommendation the Minister must consult with the appropriate province and provide the province with an opportunity to eliminate or significantly reduce the danger to the other country.

Section 21.2(1) authorizes the Governor in Council to prescribe specific emission standards recommended by the Minister if the Governor in Council concludes that the foreign country considered in making the recommendation under Section 21.1(1) has provided for "essentially the same kind of benefits in favor of Canada with respect to abatement or control of air pollution as is provided in favor of the country" by the Canadian Clean Air Act. In order to prescribe a specific emission standard with respect to non-federal sources, the Governor in Council must conclude that reasonable efforts by the Minister to procure reduction or elimination of the danger by the provincial government, have been unsuccessful.

As with most legislation, it is possible that the Canadian legislation could in the future be interpreted or implemented in a way that the United States would conclude that it was not being given essentially the same rights as are provided under Section 115. Thus, it is not possible to make a permanently binding determination that Canada has given the United States essentially the same rights based simply on a review of Canadian authorizing

legislation. EPA first determines that Canadian legislation gives ample authority to the Government of Canada to provide essentially the same rights to the United States. Second, EPA must determine that the Government of Canada is exercising or interpreting that authority in a manner that provides essentially the same rights to the United States. This second aspect of EPA's determination is necessarily a dynamic one which will continue to be influenced by Canadian action now and in the future.

In my view, the amendments to the Canadian Clean Air Act do give adequate authority to the Government of Canada to provide essentially the same rights to the United States as Section 115 provides to Canada. Both Section 115 and Sections 21.1 and 21.2 authorize a federal official to make a finding or recommendation concerning endangerment to health or welfare of a foreign country due to any air pollutant emitted domestically, and to prescribe specific emission limits to eliminate, significantly reduce, or prevent the endangerment. The Canadian legislation refers to "significant danger to the health, safety or welfare of persons," thus my conclusion assumes this phrase will be interpreted to have essentially the same coverage as the Section 115 phrase "endanger public health or welfare." Both statutes allow the State or province, as appropriate, to take actions to remedy air pollution affecting a foreign country. If the State or provincial government fails to develop an adequate remedy the federal government is authorized to establish emission limitations. Each Statute also requires that the federal government provide opportunities for public hearing on any proposed action and participation in the hearing by an affected foreign government.

The principal difference in the two statutes is the detailed procedural and substantive requirements applicable to the State plan revision process under the U.S. Clean Air Act as opposed to the more general requirement in the Canadian legislation for provincial consultation and reasonable efforts to secure action by the provincial government. In my judgment, that difference does not significantly restrict the ability of the Government of Canada to provide essentially the same rights to the United States. The Canadian requirement for federal consultation and efforts to

procure provincial action fills the same role as the State plan revision process in the U.S. system. Consequently, I have concluded that, despite the differing process at the State and provincial levels, the Canadian legislation does provide the Government of Canada with ample authority to give essentially the same rights to the United States as are provided by Section 115.

I should observe that the provisions of the Canadian legislation do appear to provide the Minister of Environment with some discretion regarding the scope of the remedy he must recommend, as well as the adequacy of any remedies undertaken by the provincial government. Similarly, the Governor Council is apparently provided with discretion regarding final prescription of specific emission standards as is the case for all regulations issued under the Canadian Clean Air Act. For these reasons, my determination that the Canadian legislation provides essentially the same rights as Section 115 could be changed should the U.S. conclude that future Canadian actions interpreting or implementing their legislation were not giving essentially the same rights to the U.S.

In connection with my review of the recent Canadian legislation, I have also examined the *Seventh Annual Report on Great Lakes Water Quality* issued on October 1980 by the International Joint Commission (IJC). I have concluded that the IJC Report confirms that acid deposition is endangering public welfare in the U.S. and Canada and that U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country. I am enclosing a letter which I have sent to Senator George Mitchell on this subject which discusses the IJC Report in greater detail and the implications of these conclusions with respect to any future actions by EPA pursuant to Section 115 of the Clean Air Act.

Sincerely yours,
/s/ Douglas M. Costle
Douglas M. Costle

Enclosure

APPENDIX B TO DISTRICT COURT OPINION

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY

WASHINGTON, D.C. 20460

JAN 13 1981

Honorable George Mitchell
United States Senate
Washington, D.C. 20510

Dear Senator Mitchell:

Thank you for your letter of December 23, 1980 regarding Section 115 of the Clean Air Act. As you are aware, this Section of the law requires EPA, if certain conditions are met, to call on States to revise their implementation plans where necessary to prevent or eliminate endangerment to public health or welfare in a foreign country stemming from air pollutants emitted in the United States.

Two recent actions require me to consider whether EPA should identify appropriate States for notification under this Section. First, in October 1980, the International Joint Commission submitted its *Seventh Annual Report on Great Lakes Water Quality*. That report contains a section describing damages due to transboundary air pollution and a recommendation that the Governments of the United States and Canada act to reduce certain air pollutants. Second, on December 17, 1980, the Canadian Parliament approved legislation providing the Canadian federal government with powers to abate transboundary air pollution. On December 24, 1980, the U.S. Department of State issued a public statement committing the United States to evaluate whether this Canadian legislation provides essentially the same rights as are provided by Section 115 of the Clean Air Act. The Clean Air Act requires the Administrator of EPA to make this determination.

There are two principal conditions which must be met before EPA can notify a State under Section 115 that a plan revision

is required. First, the Administrator on receipt of reports, surveys, or studies from a duly constituted international agency must conclude that U.S. emissions are causing or contributing to endangerment in a foreign country, or must have received a request from the Secretary of State to notify a State. Second, before the provisions of Section 115 can be applied with respect to a foreign country, the Administrator must determine that the country provides the United States with essentially the same rights regarding international air pollution control as are provided by Section 115.

Your letter calls attention to certain reports which discuss problems of transboundary air pollution between the United States and Canada. As you are aware, the major focus of U.S.-Canadian concerns in the past two years respecting transboundary air quality has been on the question of the adverse impacts of acid deposition.

As my public statements over the past year have indicated, EPA has concluded that acid deposition, often referred to as acid rain, presents a genuine threat to our environmental well-being both in the U.S. and Canada. What we know or suspect about acid deposition indicates that the problem is genuine and serious:

- acid deposition can and has destroyed lake and stream ecosystems, killing fish and other water life;
- many lakes in Canada and the United States are already acidified and their fish populations are shrinking or are extinct;
- some soils are being damaged over time due to leaching of minerals and nutrients;
- the water and soils over extensive areas in North America are susceptible to acidification;
- stone buildings, monuments, and other building materials are eroded more rapidly by acid deposition;
- some important crops may be damaged by acid deposition and others may be injured by acidified soils;
- growth of forests may be reduced over time;
- over the long term some drinking water supplies may be contaminated by toxic metals leached from the soil as a result of acid deposition.

These kinds of impacts are within the range of impacts by Section 115. As you know, that Section is broadly drafted to encompass all forms of air pollution-related endangerment to public health or welfare and is not limited to interference with U.S. air quality standards or significant deterioration program as is Section 126 of the Clean Air Act.

The relative contribution of U.S. and Canadian emission sources to acid deposition problems in the U.S. and Canada varies widely from location to location. The stress to our ecosystems created by acid deposition is a function of the total atmospheric loadings of sulfur and nitrogen compounds. Surveys conducted over the past several years establish that there is a significant flow of these pollutants across the U.S.-Canadian border in both directions. Thus, we can say with some certainty that emission sources in the U.S. contribute significantly to the atmospheric leadings over some sensitive areas in Canada and that emission sources in Canada contribute significantly to the loadings over some sensitive areas in the United States.

Given our understanding of the impacts of acid deposition and of the joint contribution of U.S. and Canadian sources to the problem, I believe that the Section 115 authority could appropriately be used to develop solutions, provided that either the Secretary of State requests action or that any relevant reports of international agencies state the existence of the problem and that Canadian law and practice provide the U.S. with essentially the same rights respecting emission sources located in Canada.

The International Joint Commission which is a duly constituted international agency under Section 115, has recently transmitted a report which addresses the issue of acid deposition. My review of the October 1980 *Seventh Annual Report on Great Lakes Water Quality of the International Joint Commission* (IJC) leads me to conclude that the IJC has found acid deposition results in significant harm in both the U.S. and Canada and that emission sources in both the U.S. and Canada contribute to the problem through the long-range transport of air pollution. The IJC

Report states that "[a]cidic precipitation is one widely known and serious example of a problem associated with the long-range transport of airborne pollutants." (Report at 49). The Report states that "[v]irtually all of eastern Canada and portions of the northeastern United States experience rains with acidity equal to or exceeding that which can adversely affect susceptible ecosystems. All parts of the Great Lakes watershed are now receiving precipitation containing 5 to 40 times more acid than would occur in the absence of atmospheric emissions. Many inland lake ecosystems in the most susceptible parts of the Basin may be irreversibly harmed within 10-15 years." (Report at 50). The Report also notes that "[a] substantial portion of the Great Lakes drainage basin is potentially susceptible to acidic precipitation, based on its bedrock geology. The Sudbury, Muskoka and Haliburton areas of Ontario and the Adirondacks of northern New York are among the most heavily impacted areas in the world because their geology offers little buffering capacity to their inland lakes. Some lakes in the Hailburton-Muskoka area have lost 40-75 percent of their acid neutralizing ability in a decade or less. These areas are now being subjected to precipitation which is twice as acidic as that which caused losses of major fish stocks in thousands of Scandinavian lakes." (Report at 50).

The Report points out "the massive and diffuse nature of the [emission] sources throughout eastern North America" (Report at 54) and notes that acid deposition often occurs "many hundreds of miles from the source." (Report at 50).

Finally, the IJC recommends in the Report that the Governments of the United States and Canada, "undertake further actions to reduce atmospheric emissions of the oxides of sulfur and nitrogen from existing as well as new sources." (Report at 5).

I have concluded that this report confirms my previously stated position that acid deposition is causing significant environmental problems on both sides of the U.S.-Canadian border due to emissions from U.S. and Canadian sources.

The question of whether Canada "has given the United States essentially the same rights" with respect to emission sources in

Canada as is provided by Section 115 requires consideration of recently enacted Canadian legislation.

On December 17, 1980, the Canadian Parliament approved legislation which provides the Canadian federal government with authority to adopt emission standards for sources which contribute to air pollution related problems in another county. Specifically, Section 21.1(1) of the legislation provides that where the Minister of Environmental has reason to believe that an air contaminant emitted by a Canadian source or sources creates or contributes to air pollution that may reasonably be expected to constitute a significant danger to the health, safety, or welfare of persons in another country, the Minister shall recomment to the Governor in Council (the highest federal executive authority) specific emission standards for the source or sources, in relation to the air contaminant, either alone or in combination with one of more other air contaminants, as he considers appropriate to eliminate or significantly reduce the danger. Under Section 21.1(2), if the Minister proposes a recommendation, the notice of the proposal is to be published in the *Canadian Gazette*. A reasonable opportunity to make representations to the Minister concerning the proposal is to be offered to persons in Canada who would be affected by the prescription of specific emission standards, and to the endangered country.

For sources other than "federal" sources, Section 21.1(3) in effect requires that before making a final recommendation the Minister must consult with the appropriate province and provide the province with an opportunity to eliminate or significantly reduce the danger to the other country.

Section 21.2(1) authorizes the Governor in Council to prescribe specific emission standards recommended by the Minister if the Governor in Council concludes that the foreign country considered in making the recommendation under Section 21.1(1) has provided for "essentially the same kind of benefits in favor of Canada with respect to abatement or control of air pollution as is provided in favor of the country" by the Canadian Clean Air Act. In order to prescribe a specific emission standard with

respect to non-federal sources, the Governor in Council must conclude that reasonable efforts by the Minister to procure reduction or elimination of the danger by the provincial government, have been unsuccessful.

As with most legislation, it is possible that the Canadian legislation could in the future be interpreted or implemented in a way that the United States would conclude that it was not being given essentially the same rights as were provided under Section 115. Thus, it is not possible to make a permanently binding determination that Canada has given the United States essentially the same rights based simply on a review of Canadian authorizing legislation. EPA first determines that Canadian legislation gives ample authority to the Government of Canada to provide essentially the same rights to the United States. Second, EPA must determine that the Government of Canada is exercising or interpreting that authority in a manner that provides essentially the same rights to the United States. This second aspect of EPA's determination is necessarily a dynamic one which will continue to be influenced by Canadian action now and in the future.

In my view, the amendments to the Canadian Clean Air Act do give *adequate authority to the Government of Canada to provide essentially** the same rights to the United States as Section 115 provides to Canada. Both Section 115 and Sections 21.1 and 21.2 authorize a federal official to make a finding or recommendation concerning endangerment to health or welfare of a foreign country due to any air pollutant emitted domestically, and to prescribe specific emission limits to eliminate, significantly reduce, or prevent the endangerment. The Canadian legislation refers to "significant danger to the health, safety or welfare of persons," thus my conclusion assumes this phrase will be interpreted to have essentially the same coverage as the Section 115 phrase "endanger public health or welfare." Both statutes allow the State or province, as appropriate, to take actions to remedy air pollution affecting a foreign country. If the State or provincial government fails to develop an adequate remedy the federal

* Emphasis not in orignal.

government is authorized to establish emission limitations. Each statute also requires that the federal government provide opportunities for public hearing on any proposed action and participation in the hearing by an affected foreign government.

The principal difference in the two statutes is the detailed procedural and substantive requirements applicable to the State plan revision process under the U.S. Clean Air Act as opposed to the more general requirement in the Canadian legislation for provincial consultation and reasonable efforts to secure action by the provincial government. In my judgment, that difference does not significantly restrict the ability of the Government of Canada to provide essentially the same rights to the United States. The Canadian requirement for federal consultation and efforts to procure provincial action fills the same role as the State plan revision process in the U.S. system. Consequently, I have concluded that, despite the differing process at the State and provincial levels, the Canadian legislation does provide the Government of Canada with ample authority to give essentially the same rights to the United States as are provided by Section 115.

I should observe that the provisions of the Canadian legislation do appear to provide the Minister of Environment with some discretion regarding the scope of the remedy he must recommend, as well as the adequacy of any remedies undertaken by the provincial government. Similarly, the Governor Council is apparently provided with discretion regarding final prescription of specific emission standards as is the case for all regulations issued under the Canadian Clean Air Act. For these reasons, my determination that the Canadian legislation provides essentially the same rights as Section 115 could be changed should the U.S. conclude that future Canadian actions interpreting or implementing their legislation were not giving essentially the same rights to the U.S.

As you know, Section 115 is activated by giving formal notification to the Governor of a specific State. EPA has not yet determined which State or States will require notification under Section 115. I have instructed my staff to examine this issue and to develop recommendations regarding the States which should receive formal notification. Notification to a State under the

Clean Air Act is only the first of several steps in the plan revision process. After receiving a plan revision notification, the State must identify and propose control measures to address the problem and provide opportunity for public hearing prior to adoption and submittal to EPA.

Several factors will require that EPA make extraordinary efforts to consult and cooperate with affected States in this process. The acid deposition problem is clearly a regional one which crosses numerous State boundaries. The affected States will need to discuss the problem with one another and EPA will need to assist them in this effort. Second, since there are no established numerical standards by which to assess the adequacy of acid deposition mitigation measures, EPA and the affected States will have to work closely on developing target levels for State and regional emission reductions.

In summary, I believe the IJC Report confirms that acid deposition is endangering public welfare in the U.S. and Canada and that U.S. and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country. Regarding the requirement of reciprocal rights, I believe the new Canadian legislation provides the Government of Canada with ample authority to give the United States essentially the same rights as Section 115. While this conclusion is adequate to warrant the initiation of a Section 115 based plan revision process in appropriate States, I must emphasize that during such a process and at the time of any final action, the Administrator must continue to be able to find that Canada is giving the United States essentially the same rights based on an evaluation of Canada's interpretation and implementation of its legislation.

I appreciate your interest in this very important subject. EPA will continue to keep your office informed of its actions on this matter.

Sincerely yours,
/s/ Douglas M. Costle
Douglas M. Costle

APPENDIX C

ORDER OF THE DISTRICT COURT

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

STATE OF NEW YORK, *et al.*, :

Plaintiffs, :

v. : Civil Action No. 84-0853

LEE M. THOMAS, *et al.*, :

Defendants. :

O R D E R

Upon consideration of the cross-motions for summary judgment, the motion to dismiss, the supporting and opposing memoranda, and the entire record herein, and consistent with the Memorandum Opinion of even date, it is this 26th day of July, 1985,

ORDERED that the motion of intervenors to dismiss be, and hereby is, denied; it is further

ORDERED that the motion of defendants for summary judgment be, and hereby is, denied; it is further

ORDERED that the motion of plaintiffs for summary judgment be, and hereby is, granted and that summary judgment be, and hereby is, entered in favor of plaintiffs; and it is further

ORDERED that defendant Administrator, if he deems appropriate, determine, within ninety (90) days of the date of this Order, whether the finding of reciprocity by former Administrator Costle remains viable; and it is further

ORDERED that, if there is a finding of reciprocity, defendant Administrator shall on or before one hundred eighty (180) days thereafter, comply with his mandate under section 115 by formally notifying the governors of any state in which such emissions originate.

/s/ Norma Holloway Johnson
NORMA HOLLOWAY JOHNSON
UNITED STATES DISTRICT JUDGE

APPENDIX D
ORDER OF THE UNITED STATES COURT OF APPEALS

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

SEPTEMBER TERM, 1986

No. 85-5970 Civil Action No. 84-853

Lee M. Thomas, Administrator, United States Environmental Protection Agency, and Alabama Power Company, et al.,

Appellants

v.

State of New York, et al.

No. 85-5972 Civil Action No. 84-853

Lee M. Thomas, Administrator United States Environmental Protection Agency, and Alabama Power Company, et al.,

Appellants

v.

State of New York, et al.

No. 85-5994 Civil Action No. 84-853

Lee M. Thomas, Administrator, United States Environmental Protection Agency, and National Coal Association,

Appellants

v.

State of New York, et al.

No. 85-6113 Civil Action No. 84-853

Lee M. Thomas, Administrator, United States Environmental Protection Agency, and Commonwealth of Kentucky,

Appellants

v.

State of New York, et al.

No. 85-6114 Civil Action No. 84-853

Lee M. Thomas, Administrator, United States Environmental Protection Agency, and State of Ohio,

Appellants

v.

State of New York, et al.

APPEALS FROM AN ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Before: MIKVA and SCALIA, Circuit Judges,
and WRIGHT, Senior Circuit Judge.

JUDGMENT

These causes came on to be heard on the records on appeal from an order of the United States District Court for the District of Columbia, and were argued by counsel. On consideration thereof, it is

ORDERED and ADJUDGED, by the Court, that the judgment of the District Court appealed from in these causes is hereby reversed and these cases are remanded with instructions, in accordance with the Opinion for the Court filed herein this date.

Per Curiam
For the Court

/s/ George A. Fisher
Clerk

Date: September 18, 1986
Opinion for the Court filed by Circuit Judge Scalia.

APPENDIX E

ORDER OF THE UNITED STATES COURT OF APPEALS DENYING REHEARING

UNITED STATES COURT OF APPEALS

FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 85-5970 SEPTEMBER TERM, 1986
CA. No. 84-00853

State of New York, *et al.*

v.

Lee M. Thomas,
Administrator,
U.S. Environmental
Protection Agency

And Consolidated Cases

BEFORE:
MIKVA, Circuit Judge and WRIGHT, Senior Circuit Judge

ORDER

Upon consideration of the petitions for rehearing of petitioners and of the State of Maine and Her Majesty the Queen in Right of Ontario, filed November 3, 1986, it is

ORDERED, by the Court, that the petitions are denied.

Per Curiam
FOR THE COURT:
GEORGE A FISHER, CLERK

BY: /s/ Robert A. Bonner
Chief Deputy Clerk

APPENDIX F

CLEAN AIR ACT
42 U.S.C. § 7415

INTERNATIONAL AIR POLLUTION

Sec. 115. (a) Whenever the Administrator, upon receipt of reports, surveys or studies from any duly constituted international agency has reason to believe that any air pollutant or pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country or whenever the Secretary of State requests him to do so with respect to such pollution which the Secretary of State alleges is of such a nature the Administrator shall give normal notification thereof to the Governor of the State in which such emissions originate.

(b) The notice of the Administrator shall be deemed to be a finding under section 110(a)(2)(H)(ii) which requires a plan revision with respect to so much of the applicable implementation plan as is inadequate to prevent or eliminate the endangerment referred to in subsection (a). Any foreign country so affected by such emission of pollutant or pollutants shall be invited to appear at any public hearing associated with any revision of the appropriate portion of the applicable implementation plan.

(c) This section shall apply only to a foreign country which the Administrator determines has given the United States essentially the same rights with respect to the prevention or control of air pollution occurring in that country as is given that country by this section.

(d) Recommendations issued following any abatement conference conducted prior to the enactment of the Clean Air Act Amendments of 1977 shall remain in effect with respect to any pollutant for which no national ambient air quality standard has been established under section 109 of this Act unless the Administrator, after consultation with all agencies which were party to the conference, rescinds any such recommendation on grounds of obsolescence.

[PL 95-95, August 7, 1977]

APPENDIX G

CLEAN AIR ACT

42 U.S.C. § 7604

CITIZEN SUITS

Sec. 304. (a) Except as provided in subsection (b), any person may commence a civil action on his own behalf-

(1)against any person (including (i) the United States, and (ii) any other governmental instrumentality or agency to the extent permitted by the Eleventh Amendment to the Constitution) who is alleged to be in violation of (A) an emission standard or limitation under this Act or (B) an order issued by the Administrator or a State with respect to such a standard or limitation,

(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this Act which is not discretionary with the Administrator, or

(3) against any person who proposes to construct or constructs any new or modified major emitting facility without a permit required under part C of title I (relating to significant deterioration of air quality or part D of title I (relating to nonattainment) or who is alleged to be in violation of any condition of such permit.

[PL 95-95, August 7, 1977; PL 95-190, November 16, 1977]

The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such an emission standard or limitation, or such an order, or to order the Administrator to perform such act or duty, as the case may be.

APPENDIX H

ADMINISTRATIVE PROCEDURE ACT

5 U.S.C. § 553

§ 533. Rule making

(a) This section applies, according to the provisions thereof, except to the extent that there is involved-

(1) a military or foreign affairs function of the United States; or

(2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.

(b) General notice of proposed rule making shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include-

(1) a statement of the time, place, and nature of public rule making proceedings;

(2) reference to the legal authority under which the rule is proposed; and

(3) either the terms of substance of the proposed rule or a description of the subjects and issues involved. Except when notice or hearing is required by statute, this subsection does not apply-

(A) to interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

(B) when the agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rules issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest.

(c) After notice required by this section, the agency shall give interested persons an opportunity to participate in the rule making

through submission of written data, views, or arguments with or without opportunity for oral presentation. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 or this title [5 USCS §§ 556 and 557] apply instead of this subsection.

(d) The required publication or service of a substantive rule shall be made not less than 30 days before its effective date, except –

ADMINISTRATIVE PROCEDURE

(1) a substantive rule which grants or recognizes an exemption or relieves a restriction;

(2) interpretative rules and statements of policy; or

(3) as otherwise provided by the agency for good cause found and published with the rule.

(e) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.
(Sept. 6, 1966, P.L. 89-554, § 1, 80 Stat. 383.)

Nos. 86-1373 and 86-1374

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

STATE OF NEW YORK, *et al.*,
Petitioners,

v.

LEE M. THOMAS, Administrator,
United States Environmental
Protection Agency,
Respondent.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, *et al.*,
Petitioners,

v.

LEE M. THOMAS, Administrator,
United States Environmental
Protection Agency,
Respondent.

On Petitions for Writs of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

---

BRIEF FOR INDUSTRY AND STATE RESPONDENTS IN OPPOSITION TO PETITIONS FOR WRITS OF CERTIORARI

MICHAEL B. BARR
CHARLES D. OSSOLA
KERRY A. WALSH SKELLY
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
Counsel for
National Coal Association

HENRY V. NICKEL
(Counsel of Record)
F. WILLIAM BROWNELL
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
(202) 955-1500
Counsel for Alabama
Power Company, et al.

(Counsel continued on inside cover)

WILSON - EPES PRINTING CO., INC. - 789-0096 - WASHINGTON, D.C. 20001

LARRY G. KOPELMAN
Special Assistant
Attorney General
State of West Virginia
1558 Washington Street, East
Charleston, WV 25311
Counsel for the
State of West Virginia

DALE T. VITALE
DOUGLAS O. METZ
Assistant Attorneys General
Environmental Enforcement
Section
Office of the Attorney
General, 17th Floor
State Office Tower
30 East Broad Street
Columbus, Ohio 43215
Counsel for the State of Ohio

MICHAEL B. BARR
CHARLES D. OSSOLA
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
Counsel for the
Commonwealth of Kentucky

TABLE OF CONTENTS

TABLE OF AUTHORITIES

TABLE OF AUTHORITIES—Continued

LEGISLATIVE HISTORY:

TABLE OF AUTHORITIES—Continued

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

Nos. 86-1373 and 86-1374

STATE OF NEW YORK, *et al.*,
Petitioners,

v.

LEE M. THOMAS, Administrator,
United States Environmental
Protection Agency,
Respondent.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, *et al.*,
Petitioners,

v.

LEE M. THOMAS, Administrator,
United States Environmental
Protection Agency,
Respondent.

On Petitions for Writs of Certiorari to the United States Court of Appeals for the District of Columbia Circuit

---

BRIEF FOR INDUSTRY AND STATE RESPONDENTS IN OPPOSITION TO PETITIONS FOR WRITS OF CERTIORARI

These cases involve a decision of the United States Court of Appeals for the District of Columbia Circuit, written by Judge Scalia, which is reported at 802 F.2d 1443 (D.C. Cir. 1986), and which appears in the appen-

dices to the petitions for certiorari. New York, *et al.*, and Ontario, *et al.*, seek to have this Court review the correctness of the lower court's decision. This brief in opposition to the petitions for certiorari is filed on behalf of Alabama Power Co., *et al.*,[1] the National Coal Association, and the States of Ohio, West Virginia, and Kentucky.[2]

RESTATEMENT OF QUESTION PRESENTED

Both the New York and Ontario petitions for certiorari present one basic issue:

> Whether the Administrator of the Environmental Protection Agency must adopt a rule in accordance with the Administrative Procedure Act if he wishes to force the Agency to undertake specific, future regulatory action.

STATEMENT OF THE CASE

The petitions for certiorari filed by New York and Ontario address one of the more hotly disputed political issues of the day—acid deposition.[3] During the past seven years, New York and others have repeatedly asked Congress to enact costly emissions control legislation to

---

[1] Alabama Power Co., *et al.* is comprised of 62 electric utility companies, the Edison Electric Institute, the National Rural Electric Cooperative Association, and the American Public Power Association. A complete list of the companies that comprise Alabama Power Co., *et al.*, along with a listing of parent companies, subsidiaries, and affiliates, is contained in the appendix to this brief, in accordance with Rule 28.1 of this Court.

[2] Respondents the States of Ohio, West Virginia, and Kentucky participated separately in the proceeding below. While they have joined in this brief in opposition in order to avoid duplication of argument, they reserve the right to file an independent brief on the merits should certiorari be granted.

[3] "Acid rain" or "acid deposition" refers to the wet (e.g., rain and snow) or dry (e.g., dust settling) deposition of acidic air pollutants.

address "acid deposition." Given scientific uncertainty[4] and the high costs of proposed control measures (which would add billions of dollars annually to the emission control expenditures already required by the Clean Air Act),[5] Congress has considered and rejected since 1980 over 30 bills designed to impose additional controls on potential acid deposition-related pollutants.[6]

Instead of enacting legislation requiring immediate emission controls, Congress responded to requests for legislation by enacting the National Acid Precipitation

---

[4] *See, e.g., Review of the Federal Government's Research Program on the Causes and Effects of Acid Rain*, 99th Cong., 1st Sess. 11, 14-15 (1985) (testimony of Lee M. Thomas, Administrator, U.S. EPA) ("scientific uncertainty [surrounding acid deposition] . . . is probably greater than any of the uncertainties I deal with in decisions I make related to environmental risk. . . . The reduction of that uncertainty so we can have some basic decision rationale is the purpose for our research program as it relates to acid rain."); *Acid Rain, 1984: Hearings Before the Senate Committee on Environment and Public Works*, 98th Cong., 2d Sess. 9 (1984) (testimony of William D. Ruckelshaus, Administrator, U.S. EPA) ("before launching the country on an expensive and potentially divisive control program, we feel we need more scientific information.").

[5] The estimated costs of proposed acid deposition control legislation have ranged from $2.5 to $22 billion *per year* levelized over twenty years. *See, e.g.*, Temple, Barker & Sloane, Inc., Economic Evaluation of S.300, prepared for Edison Electric Institute (Mar. 1987) ($16.3 to $21 billion per year); Office of Technology Assessment Oceans and Environment Program Staff Paper, An Analysis of H.R. 4567: the "Acid Deposition Control Act of 1986" (July 29, 1986) ($2.7 billion to $3.0 billion per year to meet sulfur dioxide controls). *Cf. How Much for Acid Rain?*, The Washington Post, March 22, 1987, at C-6 ("with the cost of controlling air pollution already over $30 billion a year, how much more should the country spend on it—and is acid rain necessarily the top priority?").

[6] *See, e.g.*, S. 3041, 97th Cong., 2d Sess. (1982); H.R. 3251, 3400, 4404, 98th Cong., 1st Sess. (1983); S. 768, 98th Cong., 1st Sess. (1983); H.R. 5370, 98th Cong., 2d Sess. (1984); S. 2215, 98th Cong., 2d Sess. (1984); H.R. 2679, 99th Cong., 1st Sess. (1985); S. 52, 99th Cong., 1st Sess. (1985); H.R. 4567, 99th Cong., 2d Sess. (1986).

Assessment Program (NAPAP).[7] This legislation created an extensive federal research program to resolve scientific uncertainties regarding, *inter alia*, the sources and effects of acid deposition.[8] The research, to be completed by 1990, will assist Congress in deciding whether additional controls are needed and, if so, the nature of those controls.

Given the scientific uncertainty and the enormous costs of a control program, President Reagan and three EPA Administrators (Ann Gorsuch Burford, William D. Ruckelshaus, and Lee M. Thomas) have all expressed support for Congress' decision to accelerate research and to reject legislation requiring the immediate imposition of new control measures.[9] Over $200 million has been spent since 1982 on the accelerated federal research effort.[10]

---

[7] 42 U.S.C. §§ 8901-8905 (1982).

[8] *See* Statement of Senator Daniel P. Moynihan, 126 Cong. Rec. S7432 (daily ed. June 19, 1980) (NAPAP is "[d]esigned to be the legislative underpinning of the acid rain program initiated by President Carter last August [1979]."); *see also* Memorandum of President Carter (Aug. 2, 1979), *reprinted in* 126 Cong. Rec. H5694 (daily ed. June 26, 1980) ("our knowledge of possible effects and specific causes of acid rain are inadequate for determining what kinds of controls would best mitigate the problems of acid rain. . . . [Therefore] we must establish a comprehensive federal acid rain research program.").

[9] *See, e.g., Hearings Before the Senate Committee on Environment and Public Works*, 99th Cong., 1st Sess. (1985) (statement of Lee M. Thomas, Administrator, U.S. Environmental Protection Agency); *Acid Rain, 1984: Hearings Before the Senate Committee on Environment and Public Works*, 98th Cong., 2d Sess. 9, 19 (1984) (testimony of William D. Ruckelshaus, Administrator, U.S. Environmental Protection Agency); The State of the Union Address by the President of the United States, *reprinted in* 130 Cong. Rec. H145 (daily ed. Jan. 25, 1984).

[10] National Acid Precipitation Assessment Program, "Press-Release—Government Scientists Report on Acid Rain Research Progress" 4 (February 25, 1987).

I. ORIGINS OF THE § 115 SUIT

Section 115 of the Clean Air Act[11] is entitled "International Air Pollution." Section 115(a) provides that:

> Whenever the Administrator, upon receipt of reports, surveys or studies from any duly constituted international agency[,] has reason to believe that any air pollutant or pollutants emitted in the United States cause or contribute to air pollution which *may reasonably be anticipated to endanger* public health or welfare in a foreign country[,] or whenever the Secretary of State requests him to do so with respect to such pollution which the Secretary of State alleges is of such a nature[,] the Administrator shall give formal notification thereof to the Governor of the State in which such emissions originate. [Emphasis added]

Section 115(c) further provides that "formal notification" shall be issued to governors of states only if the Administrator "determines" that the foreign country provides U.S. citizens "essentially the same rights" as afforded by § 115. Any notification to states issued under this section is to be treated as a notice of SIP deficiency pursuant to § 110(a)(2)(H) of the Act, requiring corrective state action.[12]

The instant litigation has unfolded against the congressional and administrative background described above.

---

[11] 42 U.S.C. § 7415 (1982) (hereinafter referred to as "CAA" or "the Act"). For convenience, all further citations will be to sections of the Act. Parallel citations to the U.S. Code are provided in the Table of Authorities.

[12] CAA § 115(b). Section 110(a)(2)(H) of the Act requires state control programs that implement the Clean Air Act (called "state implementation plans" or "SIPs") to provide for revision if the EPA Administrator issues a notice (called a "SIP deficiency notice") that the SIP is "substantially inadequate to meet Clean Air Act requirements." Section 110(c) requires the federal government to revise the SIP if the state fails to cure the deficiency within the time provided in the notice.

In the final days of the Carter Administration, Senator Mitchell of Maine, an unsuccessful proponent of immediate acid deposition controls, wrote then-EPA Administrator Costle to inquire whether § 115 of the existing Clean Air Act could be used to impose controls on substances suspected of contributing to acid deposition.[13]

Administrator Costle responded to Senator Mitchell's inquiry only days before Costle left office.[14] He sent a similar letter to Secretary of State Muskie, and issued a press release.[15] In this correspondence, Administrator Costle stated that a report from an international study group indicated that pollution from the United States and Canada likely contributed to acid deposition in Canada, but that available information did not permit allocation of acid deposition falling in Canada between U.S. and Canadian emission sources.[16] As a result, Administrator Costle made clear that "EPA has not yet deter-

---

[13] Letter from George J. Mitchell, Senator from Maine, to Douglas M. Costle, Administrator, U.S. EPA (December 23, 1980), *cited in* Letter from Douglas M. Costle, Administrator, U.S. EPA, to Senator George J. Mitchell (January 13, 1981), Appendix to New York Petition for Writ of Certiorari (February 23, 1987) at A-34 to A-41 (hereinafter cited as "New York App.").

[14] Letter from Costle to Mitchell, New York App. at A-34 to A-41.

[15] Letter from Douglas M. Costle, Administrator, U.S. EPA, to Edmund S. Muskie, Secretary of State (January 13, 1981), New York App. at A-30 to A-33; U.S. EPA Press Release (January 16, 1981).

[16] The October 1980 report by the International Joint Commission (IJC) on "Great Lakes Water Quality," on which the Costle correspondence was based, contained only nine pages of discussion on acid deposition. It observed that "expansion of research programs [is needed] to provide information on the causes, effects and measures for the control of the long range transport of airborne pollutants, especially acid rain" (p. 5), and that "research and monitoring *are required to demonstrate . . . effects*" from acid deposition (p. 53) (emphasis added).

mined which State or States will require notification" under § 115, and informed Senator Mitchell that he would direct his staff to undertake additional analysis to develop information and recommendations on future EPA activity regarding § 115.[17] Administrator Costle also stated that he believed Canadian pollution control laws provided authority for development of emission controls in Canada similar to those that could be developed in the U.S. under § 115.[18]

After Administrator Costle left office, EPA continued its research activities into the causes and effects of acid deposition.[19] All three subsequent EPA Administrators made clear that they did not regard Costle's eleventh-hour statements regarding § 115 as obligating EPA to impose immediate emission controls under § 115.[20] Thus, consistent with the NAPAP legislation, EPA's efforts were devoted to completing necessary research before making decisions on the need for and nature of further emission control programs.

---

[17] Letter from Costle to Mitchell at 6, New York App. at A-40.

[18] *Id.* at 4-5, New York App. at A-39. He indicated, however, that whether Canadian law provided "essentially the same rights" would depend upon how that law was implemented at the time EPA developed SIP deficiency notices. *Id.*

[19] This EPA research is part of NAPAP, the results of which are published in annual and other periodic reports. *See, e.g., supra* note 10.

[20] *See supra* note 9; *see also* Letter from Anne M. Gorsuch, Administrator, U.S. EPA, to James A. Rhodes, Governor of the State of Ohio (Sept. 22, 1981); Letter from James A. Rhodes, Governor of the State of Ohio, to Anne M. Gorsuch, Administrator, U.S. EPA (June 17, 1981); Letter from Defendant William D. Ruckelshaus in Response to Notice of Intent to Sue (March 13, 1984). *Cf.* Cincinnati Gas & Electric Co. v. EPA, Nos. 81-1311, *et al.* (D.C. Cir. 1981) (per curiam) (dismissing petitions to review the Costle statements filed by the State of Ohio and two electric utility companies because these petitions sought "review of action that is not ripe for judicial decision at this time.").

II. THE DISTRICT COURT SUIT

By mid-1984, EPA and Congress' position on the need to complete basic research before making decisions on regulatory programs was clear. Against this background, New York and several other Northeastern States and environmental groups [hereinafter referred to jointly as "New York"] responded to what they perceived as a need for immediate acid deposition emission controls *not* with a petition for rulemaking, but with a suit in the United States District Court for the District of Columbia to compel regulation of acid deposition under § 115.[21]

The New York suit was filed on March 20, 1984, over four years after the Costle correspondence. In that suit, New York alleged that former Administrator Costle, in writing these letters, bound subsequent EPA Administrators to issue SIP deficiency notices that would require states to reduce emissions to eliminate harmful pollution in Canada.[22] According to New York, this alleged duty to issue SIP deficiency notices was enforceable in the District Court under § 304(a)(2) of the Clean Air Act, which gives those courts jurisdiction to compel "the Administrator to perform any act or duty . . . which is *not discretionary* with the Administrator."[23]

---

[21] *See* Notice of Intent to Sue, Interstate and International Air Pollution, filed by New York, *et al.* (January 12, 1984).

[22] *See* Complaint of New York, *et al.* at 10-12, in New York v. Thomas, 613 F. Supp. 1472 (D.D.C. 1985), *rev'd*, 802 F.2d 1443 (D.C. Cir. 1986); *see also* Brief for Appellees New York, *et al.* at 4, in Thomas v. New York, 802 F.2d 1443 (D.C. Cir. 1986) ("the Costle determinations . . . established a *continuing obligation* to issue § 115 notices. . . .") (emphasis added); Brief of Intervenors-Appellees Her Majesty the Queen in Right of Ontario, *et al.* at 13, in Thomas v. New York, 802 F.2d 1443 (D.C. Cir. 1986) ("Costle's determinations were intended to bind . . . subsequent EPA Administrators.").

[23] CAA § 304(a)(2) (emphasis added); *see* Complaint of New York, *et al.*, *supra* note 22 at 10.

EPA and Industry Intervenors Alabama Power Co., *et al.* and the National Coal Association moved to dismiss New York's complaint, *inter alia*, on the grounds that the district court had no jurisdiction under § 304 (a) (2) of the Act, since the Costle correspondence did not create a nondiscretionary duty.[24] The district court rejected this argument, holding that former Administrator Costle's four-year old correspondence should be treated as "formal" determinations that bound EPA to issue SIP deficiency notices.[25]

In response to EPA's observation that § 115 did not indicate, and that the Agency did not have sufficient information to determine, what states should receive SIP deficiency notices, the court told EPA how to implement § 115. According to the district court, "the language of Section 115 *already indicates* that a reduction in emissions will abate the deleterious effects of *midwestern* pollution on public health and welfare in Canada." [26]

III. THE COURT OF APPEALS DECISION

In October 1985, the district court decision was appealed to the United States Court of Appeals for the District of Columbia Circuit by EPA and Industry Intervenors Alabama Power Co., *et al.*, and the National Coal Association. The province of Ontario intervened on behalf of New York, and the states of Ohio, West Virginia, and Kentucky intervened on behalf of EPA.

---

[24] *See* Defendant's Motion to Dismiss or in the Alternative for Summary Judgment on Count II (May 30, 1984); Motion of Intervenors to Dismiss Plaintiffs' § 115 Claim for Lack of Subject Matter Jurisdiction (May 30, 1984).

[25] New York v. Thomas, 613 F. Supp. 1472, 1481-86 (D.D.C. 1985), New York App. at A-20 to A-29.

[26] *Id.* at 1480, New York App. at A-19 (emphasis added). It should be noted that neither the language of § 115 nor its legislative history ever mention "mid-western pollution," much less relate that pollution to harm in Canada.

After briefing and argument, a unanimous panel of the D.C. Circuit (consisting of Judges Wright, Mikva, and Scalia) reversed the district court decision. In his opinion for the panel, Judge Scalia applied the basic principle of administrative law that "a statement of 'future effect designed to implement . . . law or policy' [footnote omitted] . . . [is] a rule."[27] Based upon this straightforward principle, Judge Scalia reached the unsurprising conclusion that:

> [I]f Administrator Costle's findings left the EPA no alternative but to issue SIP notices ultimately causing the termination or restriction of the operations of many utilities and manufacturers—if they *forced* the EPA to take direct and substantial regulatory actions—they could not be promulgated without notice-and-comment procedures.
>
> * * * *
>
> [B]ecause the findings were issued without notice and comment, they cannot be the basis for the judicial relief appellees seek. *How and when the agency chooses to proceed* to the stage of notification triggered by the findings *is within the agency's discretion and not subject to judicial compulsion* [as a nondiscretionary duty under § 304(a)(2) of the Act].[28]

ARGUMENT

Section 304(a)(2) of the Act gives district courts jurisdiction to order EPA to take action that is "*not discretionary* with the Administrator." In this case, the district court held that the Costle letters created a nondiscretionary duty to issue SIP deficiency notices pursuant to § 115 of the Act. The D.C. Circuit, however, disagreed. It held that the Costle correspondence did not

---

[27] Thomas v. New York, 802 F.2d 1443, 1446-1447 (D.C. Cir. 1986), New York App. at A-5 to A-6.

[28] *Id.* at 1447-48, New York App. at A-7 to A-8 (emphasis in original and added).

legally obligate future EPA Administrators to implement § 115, and therefore ordered dismissal of the case.

New York and Ontario attempt to support their petitions by arguing that there is an immediate need for acid deposition controls that will not be satisfied without action by the judiciary.[29] This argument is misplaced in a petition for certiorari.

The acid deposition issue has been and is being debated in Congress. It is the subject of discussions with Canada. It is being addressed by federal agencies, who are spending millions of research dollars to identify whether and, if so, what regulation is needed.[30] New York and Ontario's policy arguments for immediate acid deposition controls are for Congress or EPA, not for this Court on certiorari.

Otherwise, New York and Ontario's petitions simply reargue the merits of the case decided below. Only in exceptional cases will this Court grant certiorari to review the correctness of a lower court's decision.[31] This clearly is not such a case. The issue resolved by the court of appeals is not novel and the decision below is not in

---

[29] *See* Petition for Certiorari of New York, *et al.* (February 23, 1987) at 7-12 (hereinafter "New York Petition"); Petition for Certiorari of Ontario, *et al.* (February 23, 1987) at 11-12 (hereinafter "Ontario Petition").

[30] *See supra* p. 4.

[31] *See* Ross v. Moffitt, 417 U.S. 600, 616-617 (1974) ("this Court's review . . . is discretionary and depends on numerous factors other than the perceived correctness of the judgment we are asked to review."); *see also* R. Stern and E. Gressman, Supreme Court Practice § 4.18 (5th Ed. 1978) (this Court "is not primarily concerned with the correction of errors in lower court decisions. . . . Hence the Court generally will not grant certiorari just because the decision below may be erroneous." (footnotes omitted)); S.Ct. Rule 17 (certiorari may be granted where "an important question of federal law" has been decided which "has not been . . . settled by this court.").

conflict with other precedent. Accordingly, no review of the merits of the D.C. Circuit opinion is appropriate.

I. FINDINGS DISEMBODIED FROM RULES CANNOT BIND AN AGENCY

New York and Ontario argued below that the Costle correspondence legally obligated subsequent EPA Administrators to issue § 115 SIP deficiency notices calling for emission reductions. The D.C. Circuit rejected New York's argument that informal correspondence can give rise to an enforceable legal obligation to undertake future regulatory action, holding that statutory findings expressed in letters do not bind subsequent EPA Administrators unless those findings are also embodied in a rule requiring the Agency to implement the applicable statutory provision.[32] As Judge Scalia observed, if "Costle's findings left the EPA no alternative but to issue SIP notices . . .—if they *forced* the EPA to take direct and substantial regulatory actions—they could not be promulgated without notice-and-comment procedures." [33]

In a "now-you-see-it-now-you-don't" argument, New York and Ontario suggest in their petitions for certiorari that an informal statement by an EPA Administrator can create legal obligations akin to a "rule" (i.e., that it can establish an obligation of "future effect") for purposes of § 304(a)(2) jurisdiction, but need not be considered a "rule" for purposes of the Administrative Procedure Act's (APA) notice and comment requirements.[34] This attempted sleight-of-hand does not withstand analysis.

Ontario first argues that the binding effect of the Costle correspondence "arises solely from Section 115 of

---

[32] Thomas v. New York, 802 F.2d at 1447-48, New York App. at A-7 to A-8.

[33] *Id.* at 1447, New York App. at A-7 (emphasis in original).

[34] *See* New York Petition at 17; Ontario Petition at 15, 16.

the Clean Air Act."[35] According to Ontario, once any EPA Administrator "has *'reason to believe'* that endangerment exists" in another country, the Agency has an immediate and "binding duty to issue SIP [deficiency] notices."[36] Ontario finds "no statutory requirement that the Administrator's belief [concerning endangerment] be expressed in written form or communicated to anyone" before the Agency becomes bound to issue SIP deficiency notices in the future.[37] In sum, Ontario contends that through the "reason to believe" language, Congress invested "beliefs" with the power to create future legal obligations, and did not intend that rulemaking precede the creation of these obligations.

Acceptance of Ontario's argument would mean that whenever the Administrator expressed himself in a preliminary or informal manner regarding findings under any statutory provision containing the word "shall," he would be found to have created a nondiscretionary duty forcing the Agency to act.[38] Under Ontario's theory,

---

[35] Ontario Petition at 16.

[36] *Id.* at 6, 16 (emphasis added).

[37] *Id.* at 6.

[38] Numerous provisions of the Clean Air Act provide that the Administrator "shall" take specific action after making discretionary findings or performing discretionary analyses. For example, under § 110(a)(3)(A) the Administrator "shall" approve SIP revisions if he finds that they meet the requirements of § 110(a)(2). Under other provisions, the Administrator "shall" delegate various types of enforcement authority to states if he finds state procedures are adequate (*see, e.g.*, CAA §§ 111(c), 112(d)); he "shall" hold hearings on reasonably available control technology for nonferrous smelters if he finds orders issued by states to be inadequate (*see* CAA § 119(a)(1)(B)); he "shall" prescribe regulations for onboard hydrocarbon control equipment if he finds that such systems are feasible and desirable (*see* CAA § 202(a)(6)); and he "shall" set vehicle emission test standards if he finds that such standards are in accordance with good engineering practice (*see* CAA § 207(b)(1)). Other sections provide that regulations "shall" con-

whenever the Administrator proposed a rule, appeared before Congress, held a press conference, wrote a letter, or even was overheard in the hallways of EPA headquarters expressing a belief regarding a Clean Air Act regulatory finding, the Agency would be legally obligated to take specific, future regulatory action in accordance with those informal or preliminary statements, without having provided any opportunity for prior public notice and comment.[39]

The APA provides that a "rule" is "an agency statement of . . . future effect designed to implement . . . law or policy," and requires that any rule be preceded by notice and comment.[40] In light of these requirements, for an agency to impose on itself a future obligation to implement a regulatory provision like § 115, the agency must adopt a rule after notice and comment. Congress in § 115 did not excuse the Agency from these requirements of

---

form to the Administrator's exercise of judgment on specific issues. *See, e.g.*, CAA § 111(a) (standards of performance for new sources); § 112(b)(1)(B) (national emission standards for hazardous air pollutants).

[39] *Compare* FTC v. Standard Oil of California, 449 U.S. 232, 241-42 (1980) (the FTC's "adverment of 'reason to believe' that Socal was violating the [FTC] act is not a definitive statement of position . . . [but rather] represents a threshold determination" that is not reviewable until the Agency takes final action. A contrary holding "denies the Agency an opportunity to correct its own mistakes and to apply its expertise."); Public Citizen Health Research Group v. FDA, 740 F.2d 21, 30-31 (D.C. Cir. 1984) (the district court properly refused to bind the agency to "preliminary findings" contained in proposed rulemaking notice and statements of the agency head, since to do so would deny the agency the "full opportunity to apply its expertise and to correct errors or modify positions.").

[40] Administrative Procedure Act, 5 U.S.C. §§ 551(4), 553(c) (1982).

the APA.[41] If there were any doubt as to the applicability of the APA here, it is eliminated by § 307(d)(1) of the Act, which makes clear that the APA applies to provisions, like § 115, that are not subject to the more elaborate procedural provisions of § 307(d) of the Act.[42] Accordingly, if the Administrator of EPA wishes to impose on the Agency an obligation to take future regulatory action under § 115, he must first comply with the notice and comment requirements of the APA.[43]

Petitioner New York suggests that the Costle correspondence was binding (for purposes of § 304(a)(2) jurisdiction) but yet not binding (for purposes of the APA notice and comment requirements), since EPA could revoke Costle's statements concerning endangerment

---

[41] Indeed, the "endangerment" concept used in § 115 has traditionally been viewed as calling for the exercise of rulemaking discretion. *See, e.g.*, Ethyl Corp. v. EPA, 541 F.2d 1, 20-28 and nn.23, 37, 56 (D.C. Cir.) (EPA decision under § 211 of Clean Air Act that automobile lead emissions "will endanger" the public health calls for the exercise of policy judgment and risk assessment), *cert. denied*, 426 U.S. 941 (1976). The exercise of discretion to implement a statutory term such as "endangerment," of course, is what the rulemaking process is all about. *See* Burlington Truck Lines v. United States, 371 U.S. 156, 167 (1962) (an agency's "[e]xpert discretion is the lifeblood of the administrative process").

[42] Section 307(d) provides special procedures for certain Clean Air Act proceedings. Regulatory provisions that are not specifically listed in § 307(d)(1), like § 115, are covered by the APA procedural requirements. CAA § 307(d)(1)(N).

[43] In any event, the Agency has *not* interpreted § 115 to mean that an informal or even uncommunicated expression of "belief" as to endangerment will bind the Agency to issue SIP deficiency notices. Rather, a succession of EPA Administrators has interpreted § 115 as *not* raising an informal expression of views to the level of a rule. *See supra* note 20. Under this Court's decision in Chevron U.S.A., Inc. v. NRDC, 467 U.S. 837, 843, *reh'g denied*, 468 U.S. 1227 (1984), the Agency's interpretation of its enabling statute must be afforded substantial deference.

and reciprocity during a subsequent rulemaking to define emission reductions.[44] This argument also misses the point.

It is well-established that agencies have broad discretion to set priorities and schedules for action.[45] This discretion can be removed by Congress, for example, where it sets specific statutory deadlines for action.[46] There are no statutory deadlines in § 115, however. Thus, if Administrator Costle wished to remove the Agency's discretion to determine whether and when to implement § 115, he needed to adopt a rule in accordance with the APA. Accordingly, given Costle's failure to issue his findings in the context of a rule designed to compel action under § 115 by a specific date, "[h]ow and when the agency chooses to proceed to the stage of notification [under § 115(b)] . . . is within the agency's discretion." [47]

As a result, even if, as New York now contends,[48] the Agency could revoke Costle's preliminary findings through

---

[44] New York Petition at 17.

[45] *See, e.g.*, Heckler v. Day, 467 U.S. 104, 119 (1984); NRDC v. SEC, 606 F.2d 1031, 1046 (D.C. Cir. 1979).

[46] *See, e.g.*, CAA §§ 107(c), 108(a)(1), 109(a)(1), 110(a)(2), 110(h), 111(b)(1)(A), 111(b)(1)(B), 112(b)(1)(B), 123(c), 166(a).

[47] Thomas v. New York, 802 F.2d at 1448, New York App. at A-8. New York and Ontario's contention that the lower court's decision would gut the citizen suit provisions of the Clean Air Act and other environmental statutes, *see* New York Petition at 20-22; Ontario Petition at 13, is without merit. Many of the statutory provisions cited by New York and Ontario contain deadlines for agency action which can be enforced through citizen suits. For those provisions that do not contain deadlines, judicial intervention in the administrative process based upon informal expressions of belief should be discouraged.

[48] It should be noted that New York argued below that the Agency was bound by the Costle correspondence to issue SIP

subsequent rulemaking, this would not diminish in any way the importance of following rulemaking procedures before taking action that *obligated* the Agency to initiate *future* rulemakings. In other words, Administrator Costle could remove the discretion given EPA by Congress over scheduling and the setting of regulatory priorities, thereby forcing EPA to undertake rulemaking, *only if* he adopted, in accordance with the APA, a rule requiring such action.

In sum, the fundamental flaw in Petitioners' theory is their failure to understand that the expression of a belief—whether in a proposed rule, in informal correspondence, or in a statement to the press—is not the same as an agency exercising its discretion to create a future legal obligation. As Judge Scalia recognized, discretion is exercised, and binding action is taken, only when rights are resolved at the conclusion of a rulemaking proceeding.[49] No such proceeding was conducted in this case. Accordingly, New York and Ontario's argument that the Costle correspondence could create a legal obligation for EPA to undertake regulatory action under § 115 is wrong on the merits, and provides no basis for certiorari.

---

deficiency notices requiring emission reductions, *not* that EPA was required to initiate a rulemaking to determine whether such notices should be issued. Based upon New York's argument below, the district court ordered EPA to "comply with [its] mandate . . . by formally notifying the governors of any state in which such emissions originate" to reduce emissions. 613 F. Supp. at 1486, New York App. at A-43. Since New York's argument described above was not presented below, it cannot be presented on appeal. EEOC v. FLRA, 54 U.S.L.W. 4408, 4409 (April 29, 1986) (certiorari dismissed as improvidently granted because issue not presented below).

[49] Thomas v. New York, 802 F.2d at 1447-48, New York App. at A-7 to A-8; *see supra* note 39.

II. REQUIRING NOTICE AND COMMENT BEFORE ISSUANCE OF A RULE DOES NOT CONFLICT WITH VERMONT YANKEE

New York and Ontario contend in their petitions that Judge Scalia wrongly concluded that rulemaking procedures are necessary before an agency can legally obligate itself to undertake regulatory action,[50] and that this holding violates this Court's *Vermont Yankee* decision.[51] This argument is without merit.

In *Vermont Yankee*, this Court rejected the D.C. Circuit's attempt to "develop new procedures to accomplish the innovative task of implementing NEPA through rulemaking," [52] since there was "nothing in the APA, NEPA, the circumstances of this case, [or] the nature of the issues being considered" that either required or authorized such procedures.[53] By contrast, in this case, Judge Scalia has not created "new procedures" to implement his view of the Clean Air Act, but rather has merely restated the law regarding the statutorily mandated rulemaking procedures of the APA.

The court below did not, as Petitioners argue,[54] hold that EPA must conduct two notice and comment rulemakings in order to implement § 115. The D.C. Circuit only held that, if the Administrator wishes to implement § 115 in two stages—the first stage being prom-

---

[50] *See, e.g.*, Ontario Petition at 17 (notice and comment at any other stage of a § 115 proceeding is "totally unnecessary"); *see also* New York Petition at 15-16, 20 (notice and comment at any other stage of a § 115 proceeding would be "merely redundant to that which would have been later afforded").

[51] *See* New York Petition at 17-20; Ontario Petition at 17.

[52] NRDC v. NRC, 547 F.2d 633, 653 (D.C. Cir. 1976), *rev'd sub nom.* Vermont Yankee Nuclear Power Corp. v. NRDC, 435 U.S. 519 (1978).

[53] *Vermont Yankee*, 435 U.S. at 548.

[54] *See* New York Petition at 17-20; Ontario Petition at 17.

ulgations of findings that bind the Agency to conduct the second stage, which would be issuance of § 115 SIP deficiency notices—the Administrator must conduct two rulemakings. If the Administrator wishes to implement § 115 in one stage—which is the usual way provisions like § 115 are implemented—[55] the Administrator can issue a notice of proposed rulemaking containing proposed § 115 findings and proposed § 115 SIP deficiency notices. After receiving comments, he can promulgate final deficiency notices accompanied by final findings.[56]

In sum, the lower court's holding is a straightforward application of the APA requirement that any "statement of . . . future effect designed to implement . . . law or policy" (i.e., a "rule")[57] must be preceded by notice and

---

[55] *See* Thomas v. New York, 802 F.2d at 1446, New York App. at A-5.

[56] New York simply misreads National Asphalt Paving Ass'n v. Train, 539 F.2d 775 (D.C. Cir. 1976), as well as the other decisions cited at pages 15-16 of its petition, in suggesting to the contrary. For example, in *National Asphalt*, the D.C. Circuit addressed § 111 of the Clean Air Act, which provides that if EPA finds that a source category is a "significant contributor" to pollution, it must propose emission control standards for that source category within 120 days. *See* 539 F.2d at 779. In addressing industry's challenge to the "significant contributor" finding, the D.C. Circuit rejected the government's suggestion "that an opportunity to comment on . . . [this finding] is not required at all," finding that both "[*the Clean Air Act and*] *section 4 of the APA require*[] *that interested persons have a meaningful opportunity to comment on that part of the rule* [i.e., the "significant contributor" finding]." *Id.* at 779 n.2 (emphasis added and in original). Since the "significant contributor" finding was issued simultaneously with the proposed emission standards as a "proposed" rule, however, the Court found that notice and comment on this proposal could take place concurrently with notice and comment on the proposed emission standard. *Id.* In the instant case, of course, New York and Ontario do not seek, nor has EPA undertaken, a concurrent rulemaking on proposed "endangerment" and "reciprocity" findings *and* on proposed emission controls.

[57] 5 U.S.C. § 551(4).

comment. Since former Administrator Costle's eleventh-hour correspondence failed to satisfy this APA requirement, this correspondence could not establish a legally binding future obligation to issue § 115 SIP deficiency notices. Accordingly, the decision of the court below does no more than confirm the requirements of the APA and in no way conflicts with *Vermont Yankee*.

CONCLUSION

For the foregoing reasons, Respondents Alabama Power Co., *et al.*, National Coal Association, and the States of Ohio, Kentucky, and West Virginia hereby request that the petitions for certiorari in case numbers 86-1373 and 86-1374 be denied.

Respectfully submitted,

MICHAEL B. BARR
CHARLES D. OSSOLA
KERRY A. WALSH SKELLY
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
Counsel for
National Coal Association

LARRY G. KOPELMAN
Special Assistant
Attorney General
State of West Virginia
1558 Washington Street, East
Charleston, WV 25311
Counsel for the
State of West Virginia

HENRY V. NICKEL
(Counsel of Record)
F. WILLIAM BROWNELL
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
(202) 955-1500
Counsel for Alabama
Power Company, et al.

DALE T. VITALE
DOUGLAS O. METZ
Assistant Attorneys General
Environmental Enforcement
Section
Office of the Attorney
General, 17th Floor
State Office Tower
30 East Broad Street
Columbus, Ohio 43215
Counsel for the State of Ohio

MICHAEL B. BARR
CHARLES D. OSSOLA
HUNTON & WILLIAMS
2000 Pennsylvania Ave., N.W.
Suite 9000
Washington, D.C. 20006
Counsel for the
Commonwealth of Kentucky

APPENDIX

APPENDIX

PARENT COMPANIES, SUBSIDIARIES AND AFFILIATES OF INDIVIDUAL ELECTRIC UTILITIES

Alabama Power Company
(subsidiary of The Southern Company)

subsidiaries:

Alabama Property Company
Columbia Fuels, Inc.

affiliate:

Southern Electric Generating Company

Appalachian Power Company
(controlled by American Electric Power Company, Inc.)

subsidiaries:

Central Appalachian Coal Company
Central Coal Company
Central Operating Company
Kanawha Valley Power Company
Southern Appalachian Coal Company
Southern Ohio Coal Company
West Virginia Power Company
Cedar Coal Company

Arkansas Power & Light Company
(controlled by Middle South Utilities, Inc.)

subsidiary:

Associate Natural Gas Company

affiliates:

Systems Fuels, Inc.
The Arklahoma Corp.

Baltimore Gas and Electric Company

subsidiaries:

Resource and Property Management, Inc.
Safe Harbor Water Power Corp.
Diversified Holdings, Inc.

subsidiaries:

Baltimore Biogas, Inc.
Baltimore Capitol Resources, Inc.

Boston Edison Company

Carolina Power & Light Company

subsidiaries:

Capital Corporation
Leslie Coal Mining Company

affiliate:

Carolinas-Virginia Nuclear Power Ass'n, Inc.

Central and South West Corporation

subsidiaries:

Central Power and Light Company

affiliate:

Central and South West Fuels, Inc.

Public Service Company of Oklahoma

affiliate:

Central and South West Fuels, Inc.

subsidiaries:

Transok Pipe Line Co.
Ash Creek Mining Co.

Transok, Inc.

Southwestern Electric Power Company

subsidiary:

Southwest Arkansas Utilities Corp.

affiliate:

Arklahoma Corp.
Central and South West Fuels, Inc.

West Texas Utility Company

subsidiary:

CSR Services, Inc.

affiliate:

Central and South West Fuels, Inc.

Central and South West Services, Inc.

CSW Financial, Inc.

CSW Energy, Inc.

Central and South West Fuels, Inc.

Central Hudson Gas and Electric Corporation

subsidiaries:

Phoenix Development Company, Inc.
Cruger Development Corporation
Greene Point Development Corporation
Central Hudson Enterprises Corp.
CH Resources, Inc.

Central Illinois Light Company

subsidiaries:

CILCO Exploration and Dev. Co.
CILCO Energy Corporation

Central Illinois Public Service Company

affiliate:

Electric Energy, Inc.

The Cincinnati Gas and Electric Company

subsidiaries:

Union Light, Heat and Power Co.
West Harrison Gas & Electric Co.
Miami Power Corp.
Lawrenceburg Gas Co.
Lawrenceburg Gas Transmission Corp.
Tri-State Improvement Co.
YGK, Inc.

The Cleveland Electric Illuminating Co.

subsidiaries:

The Ceico Co.
CCO Co.
Dynamic Energy Ventures, Inc.

Columbus and Southern Ohio Electric Company
(controlled by American Electric Power Company, Inc.)

subsidiaries:

Colomet, Inc.
Simco, Inc.

Commonwealth Edison Company

subsidiaries:

Commonwealth Edison Co. of Indiana, Inc.
Chicago and Illinois Midland Railway Co.
Cotter Corp.
Commonwealth Research Corp.
Edison Development Canada, Inc.
Edison Development Co.
Concomber, Ltd.

Consolidated Edison Company of New York, Inc.

Consumers Power Company

subsidiaries:

Michigan Gas Storage Company
Northern Michigan Exploration Company

Michigan Utility Collection Service, Inc.
Plateau Resources Limited
Utility Systems, Inc.
Consumers Power Finance, N.V.
Conar Corp.

The Dayton Power and Light Company

subsidiaries:

DP&L Community Urban Redevelopment Corp.
Miami Valley Development Company
UCON Inc.
ZMS Inc.

Delmarva Power & Light Company

subsidiaries:

Delmarva Power & Light Co. of Maryland
Delmarva Power & Light Co. of Virginia
Delmarva Energy Co.
Delmarva Industries, Inc.

The Detroit Edison Company

subsidiaries:

Edison Illuminating Company
Midwest Energy Resources Company
Peninsular Electric Light Company
St. Clair Edison Company
Washtenaw Light & Power Company
Essex County Light
St. Clair Energy Corp.
Utility Technical Services, Inc.

Duke Power Company

subsidiaries:

Mill-Power Supply Co.
Crescent Land & Timber Corp.
Eastover Land Co.
Eastover Mining Co.

Wateree Power Co.*
Catawba Manufacturing and Electric Power Co.*
Western Carolina Power Co.*
Caldwell Power Co.*

Florida Power Corporation
(controlled by Florida Progress Corporation)

Florida Power & Light Company

subsidiaries:

Southern Power Co.*
Greenville Gas and Electric Light and Power Co.*
Duke Power Overseas Finance, N.V.
Fuel Supply Service, Inc.
Land Resources Investment Company
W. Flagler Investment Corp.

Georgia Power Company
(subsidiary of The Southern Company)

subsidiary:

Piedmont Forrest Co.

affiliate:

Southern Electric Generating Company

Gulf Power Company
(subsidiary of The Southern Company)

Gulf States Utilities Company

subsidiaries:

Varibus Corporation
Prudential Drilling Company

Houston Lighting & Power Company
(controlled by Houston Industries, Inc.)

---

* Inactive.

Illinois Power Company

subsidiaries:

IP Inc.
IPF Co., N.V.
Illinois Power Fuel Company

affiliate:

Electric Energy Inc.

Indiana & Michigan Electric Company
(controlled by American Electric Power Company, Inc.)

subsidiaries:

Castlegate Coal Company, Inc.
Indiana & Michigan Power Company
Price River Coal Company
Blackhawk Coal Company

Indianapolis Power & Light Company
(controlled by IPALCO Enterprises, Inc.)

Iowa-Illinois Gas and Electric Company

subsidiary:

Iowa-Illinois Energy Co.

Iowa Public Service Company
(subsidiary of Midwest Energy Co.)

subsidiaries:

Cimmred, Inc.
Energy Development Company
Energy Reserves, Inc.
Centennial Coal, Inc.
Midwest Energy Co.
Midwest Energy Service Co.

Kansas City Power and Light Company

Kentucky Power Company
(controlled by American Electric Power Company, Inc.)

Kentucky Utilities Company

subsidiary:

Old Dominion Power Company

affiliate:

Electric Energy, Inc.

Louisiana Power & Light Company
(controlled by Middle South Utilities, Inc.)

Madison Gas and Electric Company

subsidiaries:

MG&E Nuclear Fuel Inc.
MAGAEL Inc.
MAGAEL Material Resources, Inc.

Mississippi Power Company
(subsidiary of The Southern Company)

Mississippi Power & Light Company
(controlled by Middle South Utilities, Inc.)

subsidiaries:

The Light, Heat & Water Company of Jackson *
Jackson Gas Light Company*
Jackson Light & Traction Company*

affiliate:

Systems Fuels, Inc.

Monongahela Power Company
(controlled by Allegheny Power System, Inc.)

subsidiary:

Allegheny Pittsburgh Coal Company

affiliate:

Allegheny Generating Co.

---

* Inactive.

Montaup Electric Company

New England Power Company
(controlled by New England Electric System)

affiliates:

Yankee Atomic Electric Co.
Connecticut Yankee Atomic Power Co.
Vermont Yankee Nuclear Power Co.
Maine Yankee Atomic Power Co.

New Orleans Public Service, Inc.

subsidiary:

Systems Fuels, Inc.

Northern Indiana Public Service Company

subsidiaries:

Shore Line Shops, Incorporated
NIPSCO Exploration Co.
NIPSCO Fuel Co., Inc.
Northern Indiana Public Service Finance, N.V.

Ohio Edison Company

subsidiaries:

Pennsylvania Power Co.
Ohio Edison Finance, N.A.

Ohio Power Company
(controlled by American Electric Power Company, Inc.)

subsidiaries:

Central Coal Company
Central Ohio Coal Company
Central Operating Company
Ohio Electric Company
Southern Ohio Coal Company
Windsor Power House Coal Company
Cardinal Operating Co.
Beech Bottom Power Co., Inc.

Ohio Valley Electric Corporation

subsidiary:

Indiana-Kentucky Electric Corp.

Oklahoma Gas and Electric Company

subsidiary:

Arklahoma Corporation

Pennsylvania Electric Company

subsidiaries:

Nineveh Water Co.
Waverly Electric Light & Power Co.

Pennsylvania Power Company
(controlled by Ohio Edison Company)

Pennsylvania Power & Light Co.

subsidiaries:

Pennsylvania Coal Resources Corp.

subsidiary:

Pennsylvania Mines Corp.

subsidiaries:

Tunnelton Mining Co.
Greene Manor Coal
Rushton Mining Co.
Greene Hill Coal Co.
Oneida Mining Co.

Interstate Energy Co.

Hershey Electric Company

Service Development Company

Safe Harbor Water Power Corp.

Realty Company of Pennsylvania

subsidiaries:

Interstate Energy Co.
BDW Corp.

LCA Leasing Corp.
Lady Jane Colleries, Inc.

affiliates:

The Arcadia Company, Inc.
Safe Harbor Water Power Co.

The Potomac Edison Company
(controlled by Allegheny Power System, Inc.)

subsidiaries:

Allegheny Pittsburgh Coal Company
Allegheny Generating Company

Potomac Electric Power Company

subsidiaries:

Potomac Electric Finance N.V.
PEPCO Enterprises, Inc.
Potomac Capital Investment Corp.

Public Service Company of Indiana, Inc.

Public Service Electric and Gas Company

subsidiaries:

Energy Development Corp.

subsidiary:

Gasdel Pipeline System, Inc.

PSE&G Research Corp.
Energy Terminal Services Corp.
Energy Pipeline Corp.
EASCOGAS LNG, Inc.
Transport of New Jersey

subsidiaries:

Maplewood Equipment Co.
Private Reinvestment Capital Corp.

PSE&G Overseas Finance N.V.
Mulberry Street Urban Renewal Corp.

Salt River Project

Southern California Edison Company

subsidiaries:

Associated Southern Investment Co. (ASIC)
Electric Systems Company
Conservation Financing Corp.
Energy Services Inc. Non-Utility Corp.
Calabasas Park Company (CPC)
Calabasas Communication Company
California Electric Power Co.
Palo Verde Uranium Venture
Southern Surplus Realty Company
Calabasas Park Company, Inc.
Southern California Edison Finance Co., N.V.
Mono Power Company (Calif.)
Mono Power Company (Bolivia)
Mono Power Company (Malaysia)
Mono Power Company (Nicaragua)
Mono Power Company (Peru)
Mono Power Company (Italy)
Union Pacific Company
Southern Sierra Energy Co.
Bear Creek Uranium Company

Tampa Electric Company
(controlled by TECO Energy, Inc.)

subsidiaries:

Tampa Bay Industrial Corp.
Mid-South Towing Company
Electro-Coal Transfer Corp.
Gulfcoast Transit Co.
Southern Marine Management Corp.
Cal-Glo Coal, Inc.

Texas Utilities Generating Company
(subsidiary of Texas Utilities Company)

Toledo Edison Company

Tucson Electric Power Company

subsidiaries:

Western Coal Company
Alamito Co.
Escquada Leasing Co.
Valencia Energy Co.
Rincon Investing Co.
Rincon Securities, Inc.

Union Electric Company

subsidiaries:

Union Colliery Company
Missouri Power & Light Company
Missouri Edison Company
Missouri Utilities Company

affiliate:

Electric Energy, Inc.

Virginia Electric and Power Company
(controlled by Dominion Resources, Inc.)

subsidiaries:

Laurel Run Mining Company
Virginia Nuclear, Inc.
Dominion Exploration, Inc.

West Penn Power Company
(subsidiary of Allegheny Power System, Inc.)

subsidiaries:

Allegheny Generating Company
Allegheny Pittsburgh Coal Company
Beech Bottom Power Company, Inc.
West Virginia Power & Transmission Co.

subsidiary:

West Penn West Virginia
Water Power Co.

Wisconsin Electric Power Company

subsidiaries:

Wisconsin Natural Gas Company
Wisconsin Michigan Power Company

subsidiary:

Badger Service Company

Wisconsin Power and Light Company

subsidiaries:

South Beloit Water, Gas and Electric Co.
Wisconsin Power and Light Nuclear Fuel, Inc.
NUFUS Resources, Inc.
Wisconsin Mobile Telephone Company, Inc.
Windworks, Inc.
Wisconsin Mobile Telephone, Inc.
Residuals Management Technology, Inc.

affiliate:

Wisconsin River Power Company

Wisconsin Public Service Corporation

affiliates:

Wisconsin River Power Company
Wisconsin Valley Improvement Company
Delores Bench General Partner, Inc.

(3) (3)

Nos. 86-1373 and 86-1374

In the Supreme Court of the United States

OCTOBER TERM, 1986

STATE OF NEW YORK, ET AL., PETITIONERS

v.

LEE M. THOMAS, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY, ET AL.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
ET AL., PETITIONERS

v.

LEE M. THOMAS, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY, ET AL.

ON PETITIONS FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

CHARLES FRIED
Solicitor General

F. HENRY HABICHT II
Assistant Attorney General

DAVID C. SHILTON
ANNE S. ALMY
Attorneys

Department of Justice
Washington, D.C. 20530
(202) 633-2217

24 pp

QUESTION PRESENTED

Whether certain statements contained in letters written by a former Administrator of the Environmental Protection Agency in January 1981 (and in a press release issued by EPA at the same time) gave rise to a legally binding and non-discretionary duty on the part of the current Administrator to take regulatory action under Section 115 of the Clean Air Act, 42 U.S.C. 7415, to address the problem of acid deposition ("acid rain").

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Cases:

Statutes:

Statutes—Continued: Page

Miscellaneous:

In the Supreme Court of the United States

OCTOBER TERM, 1986

No. 86-1373

STATE OF NEW YORK, ET AL., PETITIONERS

v.

LEE M. THOMAS, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY, ET AL.

No. 86-1374

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO,
ET AL., PETITIONERS

v.

LEE M. THOMAS, ADMINISTRATOR,
ENVIRONMENTAL PROTECTION AGENCY, ET AL.

ON PETITIONS FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

BRIEF FOR THE FEDERAL RESPONDENT IN OPPOSITION

OPINIONS BELOW

The opinion of the court of appeals (86-1373 Pet. App. A1-A8[1]) is reported at 802 F.2d 1443. The

[1] Hereafter, all citations to "Pet. App." refer to the appendix to the petition for a writ of certiorari in No. 86-1373.

opinion of the district court (Pet. App. A9-A29) is reported at 613 F. Supp. 1472.

JURISDICTION

The judgment of the court of appeals (Pet. App. A44-A46) was entered on September 18, 1986, and a timely petition for rehearing was denied on November 24, 1986 (Pet. App. A47). The petitions for a writ of certiorari were filed on February 23, 1987. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATUTE INVOLVED

The relevant portions of Sections 115 and 304 of the Clean Air Act, 42 U.S.C. 7415 and 7604, are reproduced at Pet. App. A48-A49.

STATEMENT

The Clean Air Act establishes a joint state and federal program to control the Nation's air pollution (42 U.S.C. 7401 *et seq.*). Sections 108 and 109 of the Act grant authority to the Administrator of the Environmental Protection Agency (EPA) to set national ambient air quality standards designed to limit permissible concentrations of air pollutants (42 U.S.C. 7408, 7409). Section 110 requires each State to develop a State Implementation Plan (SIP) capable of ensuring that the ambient standards will be met and maintained (42 U.S.C. 7410). Section 110 also requires the SIP to "provide [] for revision, after public hearings, of such plan * * * whenever the Administrator finds on the basis of information available to him that the plan is substantially inadequate to achieve the * * * standard which it implements or to otherwise comply with any additional requirements

established under the Clean Air Act Amendments of 1977" (42 U.S.C. 7410(a)(2)(H)(ii)).

Interstate air pollution is addressed by Sections 110 and 126 of the Act, 42 U.S.C. 7410 and 7426. Section 110(a)(2)(E) requires each SIP to contain measures to prohibit any major source within a State from emitting any air pollutants in amounts that will "prevent attainment or maintenance by another State of any * * * standard," interfere with another State's program to prevent significant deterioration of areas having clean air, or interfere with visibility protection measures (42 U.S.C. 7410(a)(2)(E)). Section 126 of the Act in turn permits a State or other governmental entity to petition the Administrator of EPA to make a finding that sources in other States are operating (or will operate) in violation of the substantive prohibitions of Section 110(a)(2)(E).

The Act also addresses the subject of international air pollution. Specifically, Section 115 establishes a mechanism that is applicable when the Administrator, upon receipt of reports or studies of a duly constituted international agency, "has reason to believe that any air pollutant or pollutants emitted in the United States cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare in a foreign country" (42 U.S.C. 7415(a)). Subsection (a) of Section 115 provides that in such circumstances, the Administrator "shall give formal notification thereof to the Governor of the State in which such emissions originate" (42 U.S.C. 7415(a)). Subsection (b) then provides that this notification "shall be deemed to be a finding under Section 7410(a)(2)(H)(ii) of this title which requires a plan revision with respect to so much of the applicable implementation plan as is inadequate to

prevent or eliminate the endangerment" (42 U.S.C. 7415(b)). Finally, Subsection (c) limits application of this procedure to a foreign country that the Administrator determines has given the United States "essentially the same rights" as are afforded by Section 115 (42 U.S.C. 7415(c)).

2.a. The Clean Air Act makes no specific reference to the phenomenon known as "acid rain"—or, more generally, as acid deposition.[2] Acid deposition is believed to occur when emissions of sulfur dioxide, nitrogen oxides, and possibly other compounds are transported through the atmosphere, transformed by atmospheric chemical processes, and then deposited on the Earth's surface in either wet or dry form. The amount of acid material deposited in a particular area is thought to depend upon the complex interaction of these four factors—emission, transportation, transformation, and deposition. Furthermore, the sensitivity of a given area to acidification is believed to influence whether and to what extent environmental degradation may occur. The acid deposition phenomenon, involving these extremely complex processes as well as significant uncertainties, is a problem in both the United States and Canada. Pet. App. A4, A45-A46; A. Lewis & W. Davis, *Joint Report of the Special Envoys on Acid Rain* 9-20 (Jan. 1986) [hereinafter *Report*], discussed at pages 6-7, *infra*.

b. Although the Clean Air Act does not explicitly mention the issue of acid deposition, Congress did address that issue in the Acid Precipitation Act of 1980, Tit. VII, 42 U.S.C. 8901 *et seq.* In the latter

---

[2] We shall use the term "acid deposition" rather than "acid rain," because acid material may be deposited in either wet or dry form.

Act, Congress found that acid precipitation "could contribute to the increasing pollution of natural and man-made water systems * * *, as well as cause other adverse effects, and "could affect areas distant from sources and thus involve issues of national and international policy" (42 U.S.C. 8901(a)(1)-(6)). Congress therefore established a 10-year comprehensive research plan to be carried out by an inter-agency body known as the Acid Precipitation Task Force (42 U.S.C. 8902). Congress specified that the Task Force's plan shall include programs for, inter alia, "identifying the sources of atmospheric emissions contributing to acid precipitation," determining "the processes by which atmospheric emissions are transformed into acid precipitation," developing "models to enable prediction of longrange transport of substances causing acid precipitation," and identifying "areas at risk" from acid precipitation (42 U.S.C. 8903(b)(1), (3), (4), and (5)). In addition, the plan must include programs for cooperation "with the affected and contributing States and with other sovereign nations having a commonality of interests" (42 U.S.C. 8903(b)(11)).

c. The United States and Canada also have taken bilateral steps to address the acid deposition issue. In 1978, the two Nations established Bilateral Research Consultation Groups to report on the extent and significance of long-range air pollution problems. PX J. Thereafter, on August 5, 1980, the two Nations entered into a Memorandum of Intent "to develop a bilateral agreement * * * to combat transboundary air pollution." C.A. App. 64-67. Scientific and technical working groups were established to furnish advice in that process. Although a bilateral air quality agreement was not reached, there was considerable scien-

tific and diplomatic activity pursuant to the Memorandum of Intent. *See, e.g., id.* at 140-177.

In March 1985, following their annual meeting to discuss various bilateral issues, President Reagan and Prime Minister Mulroney jointly recognized acid deposition as a serious concern affecting bilateral relations. In response to that recognition, the President and the Prime Minister each agreed to appoint a Special Envoy to examine the issue and to report back before the next meeting of the President and Prime Minister in the Spring of 1986. The Special Envoys-Andrew Lewis, the former Secretary of Transportation, and William Davis, the former Premier of Ontario—were charged with taking steps to enhance cooperation in research and the exchange of information, to identify efforts to improve the environment of the two Nations, and to "pursue consultation on laws and regulations that bear on pollutants thought to be linked to acid rain." *United States-Canada Consultations on Acid Rain*, 21 Weekly Comp. Pres. Doc. 318 (Mar. 17, 1985).

The Special Envoys submitted their report to the President and Prime Minister on January 8, 1986. *United States-Canada Report on Acid Rain*, 22 Weekly Comp. Pres. Doc. 30. The report, known as the *Joint Report of the Special Envoys on Acid Rain* [hereinafter *Report*], is reproduced as an addendum to the government's brief in the court of appeals. The *Report* explains that, under the Clean Air Act, the United states has taken significant steps to control emissions of sulfur dioxide and nitrogen oxides, by imposing ambient air quality standards and by imposing emission standards for new stationary sources (such as powerplants and industrial boilers) and new mobile sources (such as automobiles and light trucks). These measures have resulted in a reduction of 28%

in emissions of sulfur dioxide since 1973 and the prevention of any increase in emissions of nitrogen oxides since 1970. *Id.* at 20-22. However, recognizing that the currently available options for further reducing emissions that contribute to acid deposition suffer from serious technical limitations or socioeconomic costs (*id.* at 8, 23-24), the *Report* does not recommend that extensive new control programs be initiated at this time. Instead, the *Report* recommends that the United States Government and businesses commit a total of $5 billion for development and demonstration of control technologies, and that the United States and Canada continue their cooperative efforts with respect to acid deposition (*id.* at 41-51).

The President and Prime Minister endorsed the *Report* and its recommendations at their annual meeting in Washington on March 19, 1986. *United States-Canada Agreements*, 22 Weekly Comp. Pres. Doc. 388-389. A statement issued by the White House in connection with that endorsement reported that in fiscal years 1981 through 1985, $2.2 billion in research funds had been allocated in the United States to develop technologies for the cleaner utilization of coal, and that additional public and industry funding would be forthcoming for those purposes (22 Weekly Comp. Pres. Doc. 389-390). More recently, on March 18, 1987, the President announced several additional steps to ensure that the United States continues to work closely with the Canadian Government to seek a solution to the acid rain problem. *Acid Rain*, 23 Weekly Comp. Pres. Doc. 269-270 (Mar. 18, 1987). The President stated that he would request from Congress the appropriation of the full $2.5 billion recommended by the Special Envoys to fund the Federal Government's share of a joint research program with industry. The President also

requested the Vice President to have the Task Force on Regulatory Relief undertake a study of incentives and disincentives to the deployment of new emission control technologies and possible regulatory revisions to address that subject. The findings of that study, along with any proposed revisions in existing regulations, are to be reported to the President within 6 months. *Ibid.*

3. This case arises out of the efforts by petitioners to require the Administrator of EPA to address the acid rain issue through immediate regulatory action under Section 115 of the Clean Air Act, without waiting for concrete results of the substantial research efforts that have been undertaken by the United States in accordance with the Acid Precipitation Act of 1980 and the bilateral discussions between the United States and Canadian Governments on the acid deposition issue. Petitioners contend that several letters and a press release written by a former Administrator of EPA in January 1981—which, as the court of appeals observed, was "only days before President Reagan took office" (Pet. App. A3)—impose a mandatory duty on the current Administrator to take regulatory action.

a. On January 13, 1981, the outgoing Administrator of EPA, Douglas Costle, sent letters to the then-Secretary of State, Edmund Muskie, and to Senator Mitchell of Maine regarding the acid deposition issue (Pet. App. A30-A41). In his letter to Secretary Muskie, Administrator Costle reviewed recently enacted Canadian legislation and concluded that it "provides the Government of Canada with authority to give the United States essentially the same rights as Section 115 of the Clean Air Act gives to Canada" (*id.* at A30). Costle also noted that he had reviewed

the Seventh Annual Report on Great Lakes Water Quality, which had been issued by the International Joint Commission in October 1980. He stated that that report "confirms that acid deposition is endangering public welfare in the United States and Canada and that United States and Canadian sources contribute to the problem not only in the country where they are located but also in the neighboring country" (*id.* at A33).

Costle elaborated on these views in his letter to Senator Mitchell. He observed that "[s]urveys conducted over the past several years establish that there is a significant flow of these pollutants across the United States-Canadian border in both directions" (Pet. App. A36). "Thus," he stated, "we can say with some certainty that emission sources in the United States contribute significantly to the atmospheric leadings over some sensitive areas in Canada" (*ibid.*). Against this background, Costle expressed his "belie[f] that the Section 115 authority could appropriately be used to develop solutions" to the problem (*ibid.*). Costle recognized, however, that "Section 115 is activated by giving formal notification to the Governor of a specific State" and that "EPA has not yet determined which State or States will require notification under Section 115" (*id.* at A40). He further stressed that EPA would be required to "make extraordinary efforts to consult and cooperate with affected States in this process," because the acid rain problem "crosses numerous State boundaries" and because "there are no established numerical standards by which to assess the adequacy of acid deposition mitigation measures" (*id.* at A41).

b. Administrator Costle's two letters were sent without public notice, opportunity for public comment, or other procedural formalities. However, EPA did

issue a press release on January 16, 1981, which summarized the contents of the letters. In the Spring of 1981, Governor Rhodes of Ohio wrote to the new EPA Administrator, Anne Gorsuch, seeking clarification of the status of the press release. By letter dated September 22, 1981, Administrator Gorsuch responded by stating that in her view, "[t]he only way to initiate a section 115 proceeding is by making the necessary findings under subsection 115(a) and formally notifying the Governor of a State" (C.A. App. 137). For this reason, she concluded, "no Section 115 proceeding was commenced" by the January 1981 press release (*ibid.*). Administrator Gorsuch further explained that the press release was only "a general announcement of former Administrator Costle's belief that some preconditions to action under section 115 had been met" (*ibid.*).[3]

c. By letter dated January 12, 1984, the petitioners in No. 86-1373 gave notice of their intent to sue the Administrator of EPA under Section 304(a)(2) of the Clean Air Act, 42 U.S.C. 7604(a)(2), which permits such suits where "there is alleged a failure of the Administrator to perform any act or duty under [the Clean Air Act] which is not discretionary with the Administrator." Petitioners main-

---

[3] On March 17, 1981, the State of Ohio and two electric utilities filed a petition for review in the United States Court of Appeals for the District of Columbia Circuit, challenging the letters and press release to the extent that they were intended to constitute official agency action. *Cincinnati Gas & Electric Co.* v. *EPA*, No. 81-1311 (D.C. Cir.). On October 19, 1981, the court of appeals dismissed the petitions on ripeness grounds. After the district court's decision in this case, several new petitions seeking review of the press release and Costle letters were filed. *Alabama Power Co.* v. *EPA*, No. 85-1606 (D.C. Cir.). Those petitions are still pending before the court of appeals.

tained that Administrator Costle's statements in the 1981 letters and press release had triggered a mandatory duty on the part of the present Administrator to notify the appropriate States under Section 115 of the Clean Air Act that they must modify their state implementation plans. Then-Administrator Ruckelshaus replied in a letter dated March 13, 1984, to Robert Abrams, the Attorney General of New York (C.A. App. 29):

> I do not believe that former Administrator Costle began a proceeding under section 115 of the Clean Air Act, though he may have made some of the findings that are necessary to such a proceeding. The most that can be said is that I might have discretion to begin such a proceeding.

4.a. In their complaint filed in district court on March 20, 1984, petitioners sought to have the court order the Administrator to determine which States were contributing to acid deposition in Canada and formally to notify them, within 30 days, that they must modify their SIPs pursuant to Section 115.[4] On

---

[4] The complaint also requested that the Administrator be ordered to take action on petitions filed by three northeastern States in 1980 and 1981 requesting the Administrator to make a finding, pursuant to Section 126(b) of the Act, 42 U.S.C. 7426(b), that emissions from out-of-state sources were preventing attainment of air quality standards. The district court granted petitioners' motion for summary judgment on the Section 126 claims on October 5, 1984. On December 10, 1984, EPA published its final decision denying the Section 126 petitions at issue. 49 Fed. Reg. 48152. The States of New York, Pennsylvania, and Maine, joined by six other parties, petitioned for review of this final agency action, and those petitions are still pending in the court of appeals. *New York* v. *United States Environmental Protection Agency*, No. 84-1592 (D.C. Cir. argued Dec. 12, 1985).

July 26, 1985, the district court granted summary judgment in favor of petitioners, concluding that the International Joint Commission Report and the Costle letters satisfied all the prerequisites to the existence of a mandatory duty under Section 115 of the Act (Pet. App. A9-A29). Relying on the word "shall" in that Section, the court found that the Administrator had a mandatory duty to determine which States would have to revise their SIPs to prevent or eliminate the endangerment in Canada—a task the court characterized as merely "incidental to giving formal notification" (*id.* at A24 n.*). The district court therefore ordered EPA to determine, within 90 days, whether Costle's finding of reciprocity remained viable, and, within 180 days thereafter, to "formally notify[] the governors of any state in which such emissions originate" (*id.* at A43).[5]

b. A unanimous panel of the court of appeals reversed, holding that the Costle letters could not serve as the basis for judicial relief (Pet. App. A1-A8).[6] The court first noted that the present case involves an "unusual statute executed in an unexpected manner"

---

[5] The Administrator filed a motion to modify the judgment, asserting that the 180-day period allowed by the court for identification and notification of the States was clearly insufficient. A declaration of the Acting Assistant Administrator for the Office of Air and Radiation estimated that the necessary analysis, program design, and notification would take a minimum of three years. By order dated September 20, 1985, the district court denied the motion to modify the judgment. However, the district court later granted a stay pending appeal of the portion of the judgment requiring formal notification of the States.

[6] The court of appeals granted the petitioners in No. 86-1374 leave to intervene on appeal.

(*id.* at A5). The court explained that Section 115 requires the Administrator to give formal notice of needed SIP revisions "to '*the* Governor' of '*the* State' " responsible for the international air pollution problem (Pet. App. A5 (emphasis added)); but, the court noted, "[i]n the context of a complex, multi-source pollution problem like acid deposition, identification of the problem does not necessarily bring with it identification of the blame-worthy states" (*ibid.*). If the statute had been executed in the manner Congress expected, the court concluded, the notice of endangerment, the reciprocity finding, and the SIP revision notices would have been issued simultaneously, and comment would have been requested and received on all of those issues at that time.

Here, however, because the actions of Administrator Costle separated the issues of endangerment and reciprocity from the identification of the responsible States, the court's task was to determine whether the findings that Costle did make "legally bind the current Administrator to issue SIP notices" (Pet. App. A5). The court held that they did not (*ibid.*). The court explained that if the findings were to bind subsequent EPA Administrators to issue SIP notices, the agency's statement would constitute a "rule" within the meaning of the Administrative Procedure Act, 5 U.S.C. 551(4), and it could be given binding effect only if it had been promulgated in compliance with the applicable notice and comment procedures in 5 U.S.C. 553, unless one of the exceptions of 5 U.S.C. 553(b)(A) was applicable (Pet. App. A6). The court found that the exceptions for "interpretative rules," "general statements of policy," and "agency organization, procedure, or practice" were inapplicable (*ibid.*). Accordingly, the court held "that if Administrator Costle's findings left the EPA no alterna-

tive but to issue SIP notices * * * —if they *forced* the EPA to take direct and substantial regulatory actions—they could not be promulgated without notice-and-comment procedures" (*id.* at A7 (emphasis in original)). For this reason, the court concluded that the findings do not create a non-discretionary duty on the part of the Administrator to issue notices to certain States, and therefore "cannot be the basis for the judicial relief [petitioners] seek" in this suit under 42 U.S.C. 7604(a)(2) (Pet. App. A8).

ARGUMENT

The decision of the court of appeals on the narrow question presented under the Administrative Procedure Act is correct and does not conflict with any decision of this Court or of any other court of appeals. Moreover, during the six years since the date of the letters and press release upon which petitioners rely, the subject of acid deposition has been—and continues to be—the focus of extensive bilateral discussions and study by the Governments of the United States and Canada. Accordingly, review by this Court is not warranted.

1. This case arises out of a disagreement concerning the appropriate course of action to address the exceedingly difficult and complex problem of acid deposition on the North American continent—a problem that has various sources and effects in both the United States and Canada and that therefore will require reciprocal efforts and continued cooperation by the two Nations. In 1981, then-Administrator Costle made a tentative determination that "the Section 115 authority could * * * be used to develop solutions" to the acid deposition problem (Pet. App. A36). Costle was careful to note, however, that Section 115

is actually activated only by giving formal notification to the Governor of a specific State and that EPA "has not yet determined which State or States will require notification" (Pet. App. A40). Costle's successors—Administrators Gorsuch, Ruckelshaus, and Thomas—have consistently interpreted his statements in 1981 as tentative or partial conclusions regarding the pre-conditions for a Section 115 proceeding, thereby leaving them with the discretion to determine whether, when, or how such a proceeding should commence. Costle's successors have thus far concluded that such a course would be unwise, because "any attempt to use Section 115 to control acid rain would bring about extensive regulatory and judicial proceedings that would create formidable obstacles to any practical results," and because "acid rain is a problem with such complexities and implications that any approach to it will almost certainly require legislative debate and Congressional enactment to be generally acceptable" (Letter from Administrator Ruckelshaus to New York Attorney General Abrams (C.A. App. 28-29)).

As Administrator Costle recognized, his statements in 1981 did not begin to address the complexities involved in tracing the cause of a certain portion of acid deposition in Canada to particular States and sources in the United States and in the quantification and allocation of emission reductions among States. Yet petitioners contend that Costle's general and tentative conclusions were sufficient to trigger a nondiscretionary duty on the part of the present EPA Administrator to perform those very tasks as a mere incident to notifying various States (which petitioners do not identify) that they must revise their SIPs. There is no indication that Congress intended

Section 115 to operate in such a rigid yet open-ended fashion—much less that Congress intended to create a judicially enforceable, mandatory duty to proceed as petitioners urge in the face of such indefinite circumstances. To the contrary, as the court of appeals observed (Pet. App. A5), Section 115 refers to the formal notification of "*the* Governor of *the* State in which the emissions originate" (emphasis added), thereby indicating that the nature and extent of a particular State's contribution should be ascertained, at least in general terms, before proceedings are commenced under that Section.

2. Quite aside from the difficulties occasioned by the terms of Section 115 standing alone, the Administrative Procedure Act precludes the relief petitioners seek. Because Administrator Costle did not follow the rulemaking procedures of the APA when he made the statements at issue here, and because no exception to those procedures applies in this setting, the Costle letters and press release do not give rise to a judicially enforceable, non-discretionary duty on the part of the current Administrator to commence proceedings under Section 115.

The court of appeals was clearly correct in holding (Pet. App. A7) that, if Costle's statements indeed have the force of law ascribed to them by petitioners, they constituted a "rule" within the meaning of the APA. The Administrative Procedure Act defines a rule as "an agency statement of general or particular applicability and future effect designed to implement * * * or prescribe law or policy" (5 U.S.C. 551(4)). See also U.S. Dep't of Justice, *Attorney General's Manual on the Administrative Procedure Act* 14 (1947) [hereinafter *Attorney General's Manual*]. Moreover, contrary to petitioners' passing suggestion

(86-1373 Pet. 18 n.27), if Costle's statements have this legal effect of binding the EPA to a certain course of action, then the exceptions to the notice and comment rulemaking procedures for "interpretative rules" and "general statement of policy" clearly do not apply.[7] Those exceptions were included because general statements of policy and interpretation do not establish legal requirements independent of the statutes and existing regulations that the agency administers; they merely advise the public of the agency's construction of a statute or regulation or announce what the agency intends to establish as its policy in the administration of such a statute or regulation. See *Attorney General's Manual* 30 n.3; *Joseph* v. *United States Civil Service Comm'n*, 554 F.2d 1140, 1153 n.24 (D.C. Cir. 1977); *Pacific Gas & Electric Co.* v. *FPC*, 506 F.2d 33, 38 (D.C. Cir. 1974). Such rules do not create new standards or requirements that have the force of law, as regards either the agency or private parties. They therefore cannot be thought to establish a non-discretionary duty on the part of the Administrator to take further action.

3. Petitioners argue (86-1373 Pet. 16; 86-1374 Pet. 17) that the court of appeals' decision conflicts with *Vermont Yankee Nuclear Power Corp.* v. *NRDC*,

---

[7] Petitioners do not seriously contest the court of appeals' conclusion (Pet. App. A6) that none of the exceptions to the notice and comment requirements is applicable here. The petitioners in No. 86-1373 merely state in a footnote (Pet. 18 n.27) that they reserve the right, if certiorari is granted, to argue in the alternative that findings under Section 115 are exempt from notice and comment requirements as "general statements of policy." 5 U.S.C. 553(b)(A). However, because petitioners do not actually seek review of the court of appeals' holding on that question, it is not properly presented here.

435 U.S. 519 (1978). In *Vermont Yankee*, this Court held that "[a]bsent constitutional constraints or extremely compelling circumstances," courts are not free to require administrative agencies to employ procedures beyond those mandated by the Administrative Procedure Act or other applicable statutes (435 U.S. at 543-547). In the present case, however, the court of appeals did not require EPA, over its objection, to follow any particular procedures under Section 115; it merely required EPA to follow the minimal informal rulemaking procedures of the APA. In particular, the court of appeals did not require EPA to follow bifurcated rulemaking procedures under that Section, giving notice and seeking comments first on the endangerment and reciprocity issues and then later on proposed revisions in the SIPs of various States. The Administrator therefore remains free under the court of appeals' decision to combine the notice and comment procedures on all of those issues in a single proceeding, should he invoke the Section 115 mechanism in the future.

The court of appeals merely found that *if* Administrator Costle's 1981 findings were to be given the legally binding effect on his successors that petitioners (but not EPA) claimed, those findings would constitute a "rule" within the meaning of the Administrative Procedure Act and therefore could be given binding effect only if they *had* been promulgated in accordance with the rulemaking procedures in that Act. That holding in no way interferes with the implementation of Section 115 by the Administrator, who did not seek to give binding effect to the Costle letters and press release. The decision below thus is nothing more than a routine application of the statutory requirements of the APA to an individual in-

stance of agency action. It does not result in the unilateral imposition of additional procedural requirements by the courts, which was condemned in *Vermont Yankee*.

4. Petitioners also contend (86-1373 Pet. 20-21) that the court of appeals' decision undercuts the effectiveness of a number of environmental statutes that include triggering mechanisms for rulemaking. However, as we have just explained, the court of appeals did not impose additional requirements in the administration even of Section 115. Moreover, as the court of appeals observed, the present case involves "an unusual statute executed in an unexpected manner" (Pet. App. A5). Section 115 was originally enacted in 1965 as part of the Clean Air Act Amendments of that year (79 Stat. 995). The Section subsequently was amended in the Clean Air Act Amendments of 1977, Pub. L. No. 95-95, § 114, 91 Stat. 710. Under the earlier version of the statute, upon a finding that emissions from a source in the United States endangered the health or welfare of persons in a foreign country, notification was to be given to "the air pollution control agency of the municipality where such discharge or discharges originate," as well as to the "State in which such municipality is located" (79 Stat. 995). After notification, a conference was to be convened, to which the relevant foreign nation would be invited (*ibid.*). This predecessor to the current Section 115 indicates that it was primarily intended to provide a tailored response to identifiable sources of air pollution. The 1977 Amendments specified a different remedial response to international air pollution, by providing for the modification of the state implementation plan, instead of an enforcement conference, if there was transboundary pollution

"which may reasonably be anticipated to endanger public health and welfare." 42 U.S.C. 7415(a). But there is no indication in the text of the current version of Section 115, as there was none in the predecessor text, that Congress foresaw resort to that Section in the context of a multifaceted, multi-source problem such as acid deposition.

Moreover, the legislative history of these provisions amply demonstrates that Congress in fact assumed that the source of the offending emissions would be discrete and identified before the mechanisms of Section 115 were employed. 111 Cong. Rec. 25052 (1965) (remarks of Rep. Harris). And, although the Section was amended in 1977, at a time when the acid deposition problem was well known, highly controversial and acknowledged to be a difficult subject, there is no suggestion in the legislative history of the amendment to Section 115 that its provisions should be used to address the problem.[8] Nor did Congress add any provisions to Section 115—such as criteria or guidelines for identification of responsible sources and allocation of emission reductions among those sources—that might support the notion that Congress intended to impose a mandatory duty on the Administrator to invoke Section 115 to attack a problem such as acid deposition.

---

[8] The committee reports on the 1977 Amendments speak of acid rain in connection with use of tall stacks (see H.R. Rep. 95-294, 95th Cong., 1st Sess. 85-86 (1977)) and provisions for the prevention of significant deterioration (*id.* at 130-132). Congress also knew that no method existed for linking emissions in a particular area with acid deposition in another area. See 122 Cong. Rec. 23964 (1976) (remarks of Senator Muskie).

Accordingly, this case does not present the question of whether the threshold findings that trigger the obligation to conduct a rulemaking proceeding under various other environmental statutes are themselves rules that must be promulgated in accordance with notice and comment requirements.[9] Instead, this case involves findings that are claimed to commit EPA to using the procedures of Section 115 to attempt to rectify the problem of acid deposition. As demonstrated above, in order to permit Section 115 to be used for that purpose, there are significant policy and technical determinations of a discretionary nature that would have to be made even after the Administrator had made findings of endangerment and reciprocity. Accordingly, if Administrator Costle's findings were to be construed as a commitment that EPA, as a matter of policy, would use the procedures of Section 115 and that succeeding Administrators were to be denied the discretion to determine as a matter of policy that such a course would be unwise or counterproductive, then at the very least any findings could be given that extraordinary effect only if they were promulgated after following the notice and comment procedures that are a necessary prerequisite to an agency's making a binding commitment to a particular regulatory course of action. See *Guardian Federal Savings & Loan* v. *Federal Savings & Loan Insurance Corp.*, 589 F.2d 658, 666-667 (D.C. Cir. 1978).

---

[9] We note, as did the court of appeals (Pet. App. A5), that in many instances the threshold findings and the proposed regulations are announced simultaneously, and comments on both are solicited and received together. See *National Asphalt Pavement Ass'n* v. *Train*, 539 F.2d 775 (D.C. Cir. 1976).

5. Finally, the court of appeals' decision did not, as petitioners assert (86-1373 Pet. 15), "void" Administrator Costle's determinations regarding harm and reciprocity. The court merely ruled that those findings could not support the judicial relief requested by petitioners under Section 304(a)(2) of the Act, 42 U.S.C. 7604(a)(2) (Pet. App. A8). As then-Administrator Ruckelshaus stated in response to petitioners' notice of intent to sue in 1984, and as affirmed by the court of appeals (Pet. App. A8), EPA retains the discretion to commence a proceeding under Section 115 to address the acid deposition problem if it determines that the technical and policy problems involved are amenable to resolution in such a proceeding. In the meantime, the Agency is acting to fulfill the congressional mandate, embodied in the Acid Precipitation Act of 1980, 42 U.S.C. 8901 *et seq.*, to develop the necessary scientific data to inform future efforts to resolve the acid deposition problem. At the same time, the United States and Canada are proceeding with their bilateral efforts to address that issue—which include, for this Nation's part, a commitment to seek the dedication of $2.5 billion in public funds and an additional $2.5 billion in private funds to develop appropriate control technology. In these circumstances, review by this Court would not contribute significantly to the resolution of the acid deposition problem. Nor would it resolve any question of wider importance in the execution of this Nation's environmental laws.

CONCLUSION

The petitions for a writ of certiorari should be denied.

Respectfully submitted.

CHARLES FRIED
Solicitor General

F. HENRY HABICHT II
Assistant Attorney General

DAVID C. SHILTON
ANNE S. ALMY
Attorneys

MAY 1987

☆ U. S. GOVERNMENT PRINTING OFFICE: 1987 181483 40345

Nos. 86-1373 and 86-1374

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

STATE OF NEW YORK, *et al.*,
Petitioners,

v.

LEE M. THOMAS, ADMINISTRATOR, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
Respondent.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, *et al.*,
Petitioners,

v.

LEE M. THOMAS, ADMINISTRATOR, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
Respondent.

ON PETITIONS FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

REPLY BRIEF FOR PETITIONERS

O. PETER SHERWOOD
Solicitor General
(Counsel of Record)
PETER H. SCHIFF
Deputy Solicitor General
DAVID R. WOOLEY
MICHAEL J. MOORE
Assistant Attorneys General
New York State Department of Law
The Capitol
Albany, New York 12224
(518) 474-4819

Attorneys for Petitioners State of New York, et al.

(Counsel continued on inside cover)

BRUCE J. TERRIS
(Counsel of Record)
JAMES M. HECKER
TERRIS, EDGECOMBE, HECKER & WAYNE
1121 12th Street, N.W.
Washington, D.C. 20005
(202) 682-2100

RODERICK M. MCLEOD, Q.C.
Deputy Minister
Ministry of the Environment
135 St. Clair Avenue West
Toronto, Ontario M4V 1P5
(416) 323-4272

Attorneys for Petitioners Her Majesty the Queen in Right of Ontario, et al.

ROBERT ABRAMS
Attorney General of New York

JAMES E. TIERNEY
Attorney General of Maine

JAMES M. SHANNON
Attorney General of Massachusetts

JEFFREY L. AMESTOY
Attorney General of Vermont

W. CARY EDWARDS
Attorney General of New Jersey

JAMES E. O'NEIL
Attorney General of Rhode Island

JOSEPH I. LIEBERMAN
Attorney General of Connecticut

STEPHEN E. MERRILL
Attorney General of New Hampshire

HOWARD FOX
Attorney for private party petitioners Sierra Club, et al.

Nos. 86-1373 and 86-1374

IN THE

Supreme Court of the United States

OCTOBER TERM, 1986

STATE OF NEW YORK, *et al.*,

Petitioners,

v.

LEE M. THOMAS, ADMINISTRATOR, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,

Respondent.

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO, *et al.*,

Petitioners,

v.

LEE M. THOMAS, ADMINISTRATOR, UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,

Respondent.

ON PETITIONS FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

REPLY BRIEF FOR PETITIONERS

---

1. In its opposition, the federal respondent (hereafter referred to as "EPA") virtually ignores the unusual disposition of petitioners' claim by the court of appeals' decision in this case. Petitioners brought a citizen suit under Section 304 of the Clean Air Act contending that the former Administrator of the U.S. Environmental Protection Agency (EPA), Douglas Costle, made two findings which triggered a mandatory duty under Section 115 of that Act to take further regulatory action to abate international air pollution. The court of appeals held that that asserted duty was unenforceable solely because of the absence of notice and comment on those findings under the Administrative Procedure Act. Pet. No. 86-1373, App. A, pp. A-7 to A-8. It expressly

refused to decide whether, assuming the Costle findings were procedurally correct, they gave rise to a mandatory duty on EPA under Section 115. *Ibid.*

Nevertheless, EPA defines the question presented as whether the Costle findings "gave rise to a legally binding and nondiscretionary duty on the part of the current Administrator to take regulatory action under Section 115 * * *," regardless of whether they were preceded by notice and comment. Fed. Opp., Question Presented. While that is a fair statement of the ultimate issue in this case, it avoids the threshold procedural question under the APA that the court of appeals found to be dispositive.[1]

Most of the arguments raised by EPA are simply irrelevant to both this threshold issue and the ultimate issue concerning Section 115 of the Clean Air Act. For example, it is irrelevant whether acid rain is the subject of bilateral discussions between United States and Canada (Fed. Opp. 5-7, 14, 22), whether EPA is also researching acid rain under the Acid Precipitation Act of 1980[2] (*id.* at 4-5, 22), and whether former Administrator Costle's successors decided it was "unwise" to use Section 115 to control acid rain because of its "complexities and uncertainties" (*id.* at 15, 22). In addition, although arguments whether Congress intended Section 115 to apply to a multi-source problem such as

---

1. The industry respondents argue that despite Congress' choice of the word "belief" to describe the type of threshold finding of endangerment necessary under the statute, such beliefs can not create future legal obligations unless they are formalized through rulemaking procedures. Ind. Opp. 13-15. Otherwise, they argue, even a stray remark by the Administrator in the hallway outside his office could trigger a duty to undertake regulatory action. *Id.* at 14. However, the word "belief," in the context used by Congress here, obviously requires both an objective manifestation of assent and the intent to convey it. We demonstrated in our petitions (No. 86-1373, pp. 5-6; No. 86-1374, pp. 7-8) that Costle's findings in the present case satisfy both requirements. Indeed, Costle expressly stated that his findings were "adequate to warrant the initiation of a Section 115 based plan revision process in appropriate States" (Pet. No. 86-1373, App. B, p. A-41). In any event, this argument, like those of EPA, was not reached by the court below and is not relevant to the threshold issue before this Court. It provides no basis for the denial of a writ of certiorari.

2. This Act is merely a research funding bill which specifically states that it is not intended to restrict, modify, or expand the scope of existing law. 42 U.S.C. 8904(b).

acid rain (*id.* at 4, 19-20), or whether a mandatory duty arises under Section 115 only after EPA identifies and notifies the offending states (*id.* at 9-10, 14-16) relate to the ultimate issue of whether a mandatory duty exists under Section 115, they are irrelevant to the court of appeals' decision that notice and comment are required on the Costle findings.

2. After these irrelevant arguments are excised from EPA's opposition, its remaining arguments reveal a fundamental unwillingness to accept the full consequences of the court of appeals' decision. Thus, EPA states (Fed. Opp. 21):

> [T]his case does not present the question of whether the threshold findings that trigger the obligation to conduct a rulemaking under various other environmental statutes are themselves rules that must be promulgated in accordance with notice and comment requirements.

Instead, EPA contends that these rulemaking procedures only apply to the attempted use of Section 115 of the Clean Air Act "to rectify the problem of acid deposition." *Ibid.*[3]

EPA presents no legal basis for such a distinction, and there is none. The application of APA rulemaking procedures obviously does not depend on the particular type of pollution addressed by a threshold finding. A rule under the APA is defined in terms of the applicability and effect of agency findings, not their subject matter. 5 U.S.C. 551(4).

EPA's argument is therefore nothing less than a strained attempt to justify the application of a legal principle in the present case and deny its applicability to all similar cases in the future. We submit that EPA has taken this approach because it simply cannot accept the full consequences of the court of appeals' decision. As Ontario has explained in its petition (No. 86-1374, pp. 14-15), that decision would mean that EPA would

3. By seeking to distinguish threshold findings under Section 115 of the Clean Air Act with similar such findings "under various other environmental statutes" (Fed. Opp. 21), EPA assumes that the court of appeals' decision applies only to threshold findings under one section of the Clean Air Act. However, as New York has demonstrated in its petition (No. 86-1373, pp. 20-21), similar threshold findings are contained in many other sections of the Clean Air Act itself.

have to conduct rulemakings to issue threshold findings under numerous other provisions of the Clean Air Act and many of the other environmental statutes it administers. By simply stating as an *ipse dixit* that the decision below does not apply to other indistinguishable statutory provisions, EPA implicitly recognizes that such a legal principle would seriously interfere with its regulatory efforts by multiplying the number of rulemaking proceedings necessary to issue a final rule.

3. Neither EPA nor industry have persuasively explained the linchpin of the court of appeals' decision, *i.e.*, that agency findings are rules under the APA if their only effect is to trigger a statutory duty to take further regulatory action specified by Congress. As we have shown in our petitions (No. 86-1373, pp. 15-17; No. 86-1374, pp. 15-16), this reasoning is clearly erroneous. The Costle findings are not rules because they are not applicable to anyone and do not impose any duties on anyone. No state or polluter need take any action based on those findings.

Once those findings are made, Congress has directed in Section 115 that certain further action by EPA must occur. However, this binding effect of the findings is solely one of Congressional origin. It therefore makes no sense for such a Congressionally-created "rule" to be preceded by notice and comment.

EPA does not deny that former Administrator Costle made the two findings of endangerment and reciprocity specified in Section 115. Furthermore, neither EPA nor the industry respondents makes any effort to explain the need for notice and comment prior to the issuance of the Costle findings. As we have shown in our petitions (No. 86-1373, pp. 4-5, 20; No. 86-1374, pp. 6-9), even without such an opportunity, the public would have at least two other opportunities for notice and comment before any emission control requirements could be imposed on anyone to control acid rain. Neither EPA nor industry deny that this is correct. Furthermore, neither EPA nor industry identify any way in which they or the public are prejudiced if a third opportunity for notice and comment is omitted. There is therefore no reason for further

notice and comment before EPA takes the next step which Congress has directed.

For the foregoing reasons and the reasons stated in the petitions, we respectfully submit that the petitions for a writ of certiorari to review the judgment of the Court of Appeals for the District of Columbia Circuit should be granted.

ROBERT ABRAMS
Attorney General of the State of New York

O. PETER SHERWOOD
Solicitor General
(Counsel of Record in No. 86-1373)
PETER H. SCHIFF
Deputy Solicitor General
DAVID R. WOOLEY
MICHAEL J. MOORE
Assistant Attorneys General
New York State Department of Law
The Capitol
Albany, New York 12224
(518) 474-4819

JAMES M. SHANNON
Attorney General of the Commonwealth of Massachusetts

JANET MCCABE
LEE BRECKENRIDGE
Assistant Attorneys General
Commonwealth of Massachusetts
One Ashburton Place, 19th Floor
Boston, Massachusetts 02108
(617) 727-2265

JAMES E. TIERNEY
Attorney General of the State of Maine

GREGORY W. SAMPLE
Assistant Attorney General
State of Maine
Office of the Attorney General
State House, Station 6
Augusta, Maine 04333
(207) 289-3661

BRUCE J. TERRIS
(Counsel of Record in No. 86-1374)
JAMES M. HECKER
TERRIS, EDGECOMBE, HECKER & WAYNE
1121 12th Street, N.W.
Washington, D.C. 20005
(202) 682-2100

RODERICK M. MCLEOD, Q.C.
Deputy Minister
Ministry of the Environment
Government of the Province of Ontario
135 St Clair Avenue West
Toronto, Ontario M4V 1P5

Attorneys for Petitioners Her Majesty the Queen in Right of Ontario, et al.

JEFFREY L. AMESTOY
Attorney General of the State of Vermont

J. WALLACE MALLEY, JR.
Assistant Attorney General
State of Vermont
Office of the Attorney General
109 State Street
Montpelier, Vermont 05602
(802) 828-3171

JAMES E. O'NEIL
Attorney General of the State of Rhode Island

GARY POWERS
Special Assistant Attorney General
State of Rhode Island
Office of the Attorney General
72 Pine Street
Providence, Rhode Island 02903
(401) 274-4400

JOSEPH I. LIEBERMAN
Attorney General of the State of Connecticut

ROBERT WALSH
Assistant Attorney General
State of Connecticut
State Office Building, Rm. 147
Hartford, Connecticut 06106
(203) 566-7213

STEPHEN MERRILL
Attorney General of the State of New Hampshire

DANA BISBEE
Assistant Attorney General
Environmental Protection Division
State of New Hampshire
State House Annex
25 Capitol Street
Concord, New Hampshire 03301
(603) 271-3679

W. CARY EDWARDS
Attorney General of the State of New Jersey

PAUL SCHNEIDER
Deputy Attorney General
Office of the Attorney General
Richard J. Hughes Justice Complex (CN-112)
Trenton, New Jersey 08625
(609) 984-5612

HOWARD FOX
Attorney for Petitioners
Sierra Club
Natural Resources Defense Council
National Audubon Society
National Wildlife Federation
Honorable Richard Ottinger
Robert & Janet Townsend
Ellen Edith Desmond
Sierra Club Legal Defense Fund
1516 P Street, N.W., Suite 300
Washington, D.C. 20005
(202) 667-4500

June 1987